BASE PROSPECTUS Dated 16 August 2019

MACQUARIE BANK LIMITED

(ABN 46 008 583 542)

(*incorporated with limited liability in the Commonwealth of Australia*)

STRUCTURED NOTE PROGRAMME

Under this Structured Note Programme (the "**Programme**"), Macquarie Bank Limited ("**MBL**") or such other issuer as may accede to the Programme and be specified in the relevant Final Terms (each an "**Issuer**") may from time to time issue direct, unsecured, unsubordinated and unconditional notes ("**Notes**"). Notes of any kind may be issued including but not limited to Notes relating to a specified index or a basket of indices ("**Index Linked Notes**"), a specified equity security or a basket of equity securities ("**Equity Linked Notes**"), a specified currency or a basket of currencies ("**FX Linked Notes**"), a specified commodity or a basket of commodities ("**Commodity Linked Notes**"), a specified fund or a basket of funds ("**Fund Linked Notes**") or the credit of a reference entity or a basket of reference entities ("**Credit Linked Notes**"). Notes may also bear interest. Each issue of Notes will be issued on the terms set out herein which are relevant to such Notes under "*Terms and Conditions of the Notes*" (the "**Note Conditions**", or "**Conditions**") on pages 119 to 155 (inclusive) and any applicable Additional Terms and Conditions on pages 217 to 396 (inclusive) (together with the Note Conditions, the "**Base Conditions**") and on such additional terms as will be set out in the applicable Final Terms (the "**Final Terms**").

MBL may offer Notes acting through its head office in Sydney or one or more of its branches outside Australia. None of MBL's branches outside Australia constitute a separate legal entity and the obligations incurred by MBL in issuing Notes through a branch outside Australia are obligations of MBL as a whole.

The Notes may (but need not) be issued on a continuing basis to the initial dealer specified in the "*General Description of the Programme*" section (the "**Initial Dealer**") 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 for such Notes. The Notes may also be issued other than to a Dealer on terms as may be separately agreed in writing from time to time by the Issuer and such other person. In such circumstances, the applicable Final Terms will indicate that there will not be a Dealer in respect of the relevant Series of Notes.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed US$5,000,000,000 (or its equivalent in other currencies), subject to increase in accordance with the terms of the Programme Agreement.

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

This Base Prospectus has not been approved as a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and, accordingly, no offer to the public may be made and no admission to trading may be applied for on any market in the European Economic Area ("EEA") designated as a regulated market, in each case for the purposes of the Prospectus Regulation. Notes may only be issued under this Programme in circumstances where no prospectus is required to be published under the Prospectus Regulation (see "Subscription and Sale" below).

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will represent and agree, that this Base Prospectus has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore (the "MAS").

Accordingly, the Initial 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 the Notes, whether directly or indirectly, to any person in Singapore other than (i) 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, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) 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 which 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 derivatives 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:

(1) 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;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any Notes offered to investors outside Singapore will be offered in compliance with the applicable laws and regulations of the jurisdiction in which such Notes are being offered.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for the quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no guarantee that the application to the SGX-ST for the listing of Notes will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions expressed or reports contained in this Base Prospectus and the applicable Final Terms in relation to Notes listed on the SGX-ST. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated

companies or such Notes. Notes listed on another stock exchange and unlisted Notes may also be issued under the Programme.

The Issuer, in relation to Notes which will be listed on the SGX-ST undertakes, confirms, and/or agrees that so long as any of the Notes are listed on the SGX-ST it will appoint and maintain a Singapore paying agent in the event that any of the Global Notes are exchanged for Notes in definitive form, and provide details of such exchange including all material information with respect to the delivery of the definitive Notes, including details of the Singapore paying agent by way of an announcement to the SGX-ST, for so long as the Notes are listed on the SGX-ST.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SFA: UNLESS OTHERWISE STATED IN THE FINAL TERMS OF THE NOTES 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).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under any securities laws of any state or jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. In addition, certain Notes may not at any time be offered, sold or delivered in the United States or to U.S. persons, nor may any U.S. persons at any time trade or maintain a position in such Notes. The Notes may be offered and sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S and within the United States to a limited number of "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") in private transactions exempt from the registration requirements of the Securities Act. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Each initial QIB purchaser of Notes in the United States will be required to execute an Investor Representation Letter substantially in the form as provided by the Issuer. See "*Form of Notes*" for a description of the manner in which Notes will be issued. Notes are subject to certain restrictions on resale and transfer. See "*Notice to Purchasers and Transfer Restrictions*" and "*Subscription and Sale*".

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**"), any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Base Prospectus. Trading in the Notes has not been approved by the Commodity Futures Trading Commission (the "**CFTC**") pursuant to the U.S. Commodity Exchange Act, as amended (the "**CEA**"). Any representation to the contrary is a criminal offence in the United States.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offering of the Notes. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

MBL has reserved the right to sell Notes directly to investors on its own behalf.

MBL is an indirect subsidiary of Macquarie Group Limited (ABN 94 122 169 279) ("**MGL**") and in this Base Prospectus references to the "**Macquarie Group**" are references to MGL and its controlled entities.

The Final Terms for each series ("**Series**") of Notes to be listed on the SGX-ST will be published on the SGX-ST's internet site http://www.sgx.com. The Final Terms issued for each Series will contain details of the aggregate nominal amount of the relevant Notes, interest (if any) payable in respect of the relevant Notes, the issue price of the relevant Notes, and any other terms and conditions not contained herein which are applicable to the Series.

The credit ratings of MBL referred to in this Base Prospectus have been issued by S&P Global Ratings, Inc., Moody's Investors Service Limited and Fitch Ratings Australia Pty Ltd.

This Base Prospectus and the documents incorporated in this Base Prospectus by reference (see "*Documents Incorporated by Reference*" on pages 56 to 57 (inclusive) of this Base Prospectus) are available on the internet site www.macquarie.com. MBL will also provide, without charge, upon the written request of any person, a copy of this Base Prospectus, the Final Terms issued for each Series of Notes to be listed on the SGX-ST and any or all of the documents which, or portions of which, are incorporated in this Base Prospectus by reference. Copies of the Final Terms will also be available from the specified offices set out below of each of the Paying Agents (as defined below). Written requests for such documents should be directed to MBL at its office set out at the end of this Base Prospectus.

This Base Prospectus supersedes and replaces in its entirety MBL's Base Prospectus for the Programme dated 16 August 2018 (as supplemented).

Dated 16 August 2019

MACQUARIE BANK LIMITED

IMPORTANT NOTICES

This Base Prospectus does not comprise a base prospectus for the purposes of Article 8 of the Prospectus Regulation but is provided for the purpose of giving information with regard to the Issuer and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the risks associated with an investment in the Notes.

This Base Prospectus has not been, nor will be, lodged with the Australian Securities and Investments Commission and is not a 'prospectus' or other 'disclosure document' for the purposes of the Corporations Act 2001 of Australia. See "*Subscription and Sale*" on pages 188 to 195 inclusive of this Base Prospectus.

The Issuer (the "Responsible Person") accepts responsibility for the information contained in this Base Prospectus. 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. If any 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.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer (if any) or (if syndicated) the Managers, as the case may be.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

This Base Prospectus is to be read in conjunction with 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 into and form part of this Base Prospectus.

Unless otherwise stated, the internet site addresses in this Base Prospectus which are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not 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 (or their affiliates) 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 (and shall be deemed to have made) 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. No advice is given in respect of the tax treatment of investors in connection with any investment in any Notes and each investor is advised to consult its own professional adviser.

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.

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 Commonwealth of Australia, the United States of America, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, South Korea, the People's Republic of China and Taiwan. See "*Notice to Purchasers and Transfer Restrictions*" and "*Subscription and Sale*".

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. None of the Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

1. **have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;**

2. **have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;**

3. **have 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;**

4. **understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and**

5. **be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

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

In this Base Prospectus, references to "U.S. dollars", "U.S.$" and "$" refer to United States dollars, references to "Sterling", "GBP" and "£" are to Pounds Sterling, references to "AUD" and "A$" are to Australian dollars, references to "SGD" and "S$" are to Singapore dollars, references to "Renminbi", "RMB" and "CNY" are to the lawful currency of the People's Republic of China and all references to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs (as defined under "*Form of Notes*") for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Notes in bearer form 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 United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations promulgated thereunder.

Notes in registered form ("Registered Notes") may be offered or sold within the United States only to QIBs in transactions exempt from, or not subject to, the registration requirements of the Securities Act, in reliance on Rule 144A or any other applicable exemption. The Registered Notes offered and sold in the United States to QIBs pursuant to Rule 144A or any other available exemption from the

registration requirements of the Securities Act will be treated as "restricted securities" within the meaning of Rule 144 under the Securities Act until the maturity date of any Registered Note. Consequently, any Registered Note may only be sold or resold at any time in transactions exempt from registration pursuant to Rule 144A or in transactions not subject to registration pursuant to Regulation S. See "*Notice to Purchasers and Transfer Restrictions*".

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, MBL has undertaken in the Programme Agreement to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by it, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, MBL is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

As set out in more detail under "Macquarie Bank Limited", MBL is incorporated in the Commonwealth of Australia with limited liability for an unlimited duration. Most of MBL's executive officers and directors named herein reside outside the United States. A substantial portion of the assets of MBL and all or a substantial portion of the assets of such officers and directors may be located outside the United States. As a result, it may be difficult for an investor in the United States to effect service of process within the United States on MBL or those other parties or to enforce against MBL or those other parties in non-U.S. courts judgments obtained in U.S. courts predicated upon, among other things, the civil liability provisions of U.S. federal or state securities laws. There is doubt as to the enforceability in Australia or Singapore in original actions or in actions for enforcement of judgments of U.S. courts of civil liabilities predicated solely upon U.S. federal or state securities laws.

AUSTRALIAN BANKING LEGISLATION

MBL is an "authorised deposit-taking institution" ("ADI") as that term is defined under the Banking Act 1959 of Australia (the "Banking Act").

Section 13A of the Banking Act provides that the assets of an ADI in Australia are, in the event of the ADI becoming unable to meet its obligations or suspending payment, to be made available to meet in priority to all other liabilities of that ADI:

- **first, certain obligations of the ADI to the Australian Prudential Regulation Authority ("APRA") (if any) arising under the financial claims scheme established by Division 2AA of Part II of the Banking Act in respect of amounts payable by APRA to holders of protected accounts up to a maximum of A$250,000 per holder for all protected accounts held by the holder with the ADI. A "protected account" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation;**

- **second, APRA's costs in exercising its powers and performing its functions relating to the ADI in connection with the government guarantee of protected accounts;**

- **third, the ADI's liabilities (if any) in Australia in relation to protected accounts that accountholders keep with the ADI;**

- **fourth, the ADI's debts (if any) to the Reserve Bank of Australia ("RBA");**

- **fifth, the ADI's liabilities (if any) under an industry support contract that is certified under section 11CB of the Banking Act; and**

- **sixth, the ADI's other liabilities (if any) in the order of their priority apart from section 13A of the Banking Act.**

Under section 16(2) of the Banking Act, certain other debts due to APRA shall, in a winding-up of an ADI, have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of that ADI. Further, under section 86 of the Reserve Bank Act, debts due by a bank (which includes MBL) to the RBA shall, in a winding-up of that bank, have, subject to section 13A(3) of the Banking Act, priority over all other debts of that bank.

The Notes do not constitute a protected account of, or a deposit with, MBL.

SINGAPORE BANKING LEGISLATION

MBL Singapore Branch is licensed as a wholesale bank under the Banking Act, Chapter 19 of Singapore ("**Singapore Banking Act**").

Under Section 61(2) of the Singapore Banking Act, the liabilities in Singapore of a bank specified in Section 62(1) of the Singapore Banking Act shall have priority over all unsecured liabilities of the bank other than the preferential debts specified in section 328(1) of the Companies Act, Chapter 50 of Singapore.

Section 62(1) of the Singapore Banking Act provides that, in the event of a winding up in Singapore of a bank, the following liabilities in Singapore of the bank shall, amongst themselves, rank in the following order of priority:

(a) firstly, any premium contributions due and payable by the bank under the Deposit Insurance and Policy Owners' Protection Schemes Act, Chapter 77B of Singapore ("**Deposit Protection Act**");

(b) secondly, liabilities incurred by the bank in respect of insured deposits, up to the amount of compensation paid or payable out of the deposit insurance fund under the Deposit Protection Act in respect of such insured deposits;

(c) thirdly, deposit liabilities incurred by the bank with non-bank customers other than those specified in paragraphs (b) and (d);

(d) fourthly, deposit liabilities incurred by the bank with non-bank customers when operating an Asian Currency Unit (as defined in the Singapore Banking Act) approved under section 77 of the Singapore Banking Act other than liabilities referred to in paragraph (b); and

(e) fifthly, any sum claimed by the trustee of a resolution fund (within the meaning of section 98 of the Monetary Authority of Singapore Act, Chapter 186 of Singapore) from the bank under section 103, 104, 105 or 106 of that Act.

MBL makes no representation as to whether the Notes would constitute deposit liabilities in Singapore under the aforesaid statutory provisions.

However, as MBL Singapore Branch is not a member of the deposit protection system established under the Deposit Protection Act, the Notes are not insured deposits under the Deposit Protection Act.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Base Prospectus contains and incorporates by reference statements that constitute forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding MBL's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Examples of these forward-looking statements include, but are not limited to (i) statements regarding our future results of operations and financial condition, (ii) statements of plans, objectives or goals, including those related to MBL's products or services, and (iii) statements of assumptions underlying those statements. Words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "probability", "risk", and other similar words are intended to identify forward-looking statements, but are not the exclusive means of identifying those statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of MBL, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of MBL and the environment in which it will operate in the future. These forward-looking statements speak only as of the date of this Base Prospectus. MBL expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Base Prospectus, or incorporated herein by reference, to reflect any change in the expectations of MBL with regard to such forward-looking statements or any change in events, conditions or circumstances on which any such forward-looking statement is based.

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 (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (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 may 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.

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SUMMARY OF THE PROGRAMME

*Words or expressions defined or used in the Terms and Conditions of the Notes (the "**Note Conditions**", or "**Conditions**") shall, unless the contrary intention appears, have the same meaning in this summary.*

This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole.

This Base Prospectus has not been, nor will be, lodged with the Australian Securities and Investments Commission and is not a 'prospectus' or other 'disclosure document' for the purposes of the Corporations Act 2001 of Australia. See "*Subscription and Sale*" on pages 188 to 195 inclusive of this Base Prospectus.

In addition, the Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**"). For a description of certain restrictions on resales and transfers of the Notes, and representations that each purchaser will be deemed to make if it purchases Notes, and is required to make if it is in the United States or a U.S. person or purchasing on behalf of a U.S. person, see "*Important Notices*" on pages v to x inclusive of this Base Prospectus, and "*Notice to Purchasers and Transfer Restrictions*" on pages 183 to 187 (inclusive) of this Base Prospectus.

Issuer:	Macquarie Bank Limited (ABN 46 008 583 542) ("**MBL**"), a corporation constituted with limited liability under the laws of the Commonwealth of Australia and authorised to carry on banking business in the Commonwealth of Australia, the United Kingdom, Hong Kong and Singapore. MBL's expertise covers asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities. MBL acts primarily as an investment intermediary for institutional, corporate, government and retail clients and counterparties around the world, generating income by providing a diversified range of products and services to clients. MBL may offer Notes acting through its head office in Sydney or one or more of its branches outside Australia as specified in the applicable Final Terms (if any) or (in other cases) as agreed with the relevant Dealer(s) (if applicable). Additional issuers may accede to the Programme and be specified in the applicable Final Terms.
Issuer Legal Entity Identifier (LEI):	4ZHCHI4KYZG2WVRT8631
Issue Price:	MBL or such other issuer as may be appointed under the Programme (each an "**Issuer**") may issue Notes (the "**Notes**"). The Notes may be issued on a fully-paid or partly-paid basis, at any issue price which is at par or a discount to, or a premium over, par as specified in the applicable Final Terms or (in other cases) as agreed between the Issuer and the relevant Dealer(s) (if applicable).
Programme Size:	The maximum aggregate nominal amount of Notes from time to time outstanding under the Programme will not exceed US$5,000,000,000 (or its equivalent in other currencies), subject to increase in accordance with

	the terms of the Programme Agreement.
Terms of Notes:	Notes may be denominated in any currency specified in the applicable Final Terms with any agreed maturity, subject to compliance with all applicable legal and/or regulatory restrictions. Notes may: (i) bear interest at one or more fixed or floating rates (which may be determined on a basis set out in the applicable Final Terms); (ii) not bear interest; (iii) bear interest and/or provide that the redemption amount is calculated by reference to one or more specified underlying assets or bases of reference (or any combination thereof) such as indices (including equity, commodity, inflation indices or customised/synthetic indices), currency exchange rates, equities, fund shares or units, commodities or the credit of one or more reference entities (each such underlying asset or basis of reference, a "**Reference Item**" and any Reference Item linked Note, "**Reference Item Linked Note**") and/or (iv) have such other terms and conditions as specified in the applicable Final Terms. Interest periods, interest rates and the terms of and/or amounts payable on redemption will be specified in the Note Conditions and the applicable Final Terms. Unless otherwise specified in the applicable Final Terms (for instance, that the relevant Notes will be redeemable at the option of the Issuer and/or the Noteholders), such Notes may not be redeemed prior to their stated maturity other than in the following circumstances: (i) in specified instalments (if specified in the applicable Final Terms), (ii) for taxation reasons (if stated in the applicable Final Terms), (iii) following an Event of Default and acceleration of the Notes, (iv) if as a result of a change in law or regulation or a judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, the Issuer's obligations under the Notes or any arrangements made to hedge the Issuer's obligations under the Notes has or will become unlawful, illegal or otherwise prohibited, (v) following an Additional Disruption Event as defined in the Index Linked Conditions and Equity Linked Conditions respectively or (vi) pursuant to the terms and conditions specific to any relevant Note.
Form of Notes:	The Notes of each Series will be issued in bearer form (such Notes being "**Bearer Notes**") or in registered form (such Notes being "**Registered Notes**") as specified in the applicable Final Terms. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes may be issued both outside the United States in reliance on Regulation S and/or within the United States to QIBs in private transactions exempt from, or not subject to, the registration requirements of the Securities Act. Bearer Notes may not be exchanged for Registered Notes and vice versa. Unless otherwise specified in the applicable Final Terms, the Bearer Notes will be issued in Classic Global Note ("**CGN**") form.

Settlement of Notes:	Settlement of Notes may be by way of cash payment ("**Cash Settled**") or physical delivery ("**Physical Delivery**"), as specified in the applicable Final Terms.
Events of Default:	The terms of the Notes contain, among others, events of default covering non-payment or non-delivery and relating to the insolvency of the Issuer (as described in Note Condition 9).
Taxation:	If the applicable Final Terms specify that taxation gross-up is applicable, all payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Note Condition 7 unless any such deduction is required by law. In the event that any such deduction is required by law, payment will be made after such amounts have been deducted and the Issuer will, subject to certain limitations and exceptions, pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the deduction shall equal the respective amounts which would have been receivable in the absence of such deduction. If the applicable Final Terms specify that taxation gross-up is not applicable, all payments in respect of the Notes will be made subject to withholding taxes imposed by any Tax Jurisdiction as provided in Note Condition 7 and the Issuer will not be obliged to gross up any payments in respect of the Notes and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. The Issuer may, but is under no obligation to, take steps to mitigate the burden of such tax, duty or withholding applied to the Notes (as deemed appropriate by the Issuer in its sole discretion).
General	
Currencies:	Australian dollars, U.S. dollars, Yen, Pounds Sterling, Euro, Singapore dollars, Renminbi or any other currency as specified in the applicable Final Terms.
Status of the Notes:	The Notes will be direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without prejudice among themselves and (subject as aforesaid and save for such exceptions as may be provided by applicable legislation) at least equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding. See Note Condition 3 for important information on the Banking Act 1959 of Australia.
Denomination of the Notes:	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) (if any) and as indicated in the applicable Final Terms, save that the minimum denomination of each Note will be such 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, save that the minimum denomination of

	each Note traded on the SGX-ST will be SGD200,000 (or, if the Notes are denominated in a currency other than Singapore dollars, the equivalent amount in such currency) for so long as the Notes are listed on the SGX-ST, 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 Regulation) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). Unless otherwise specified in the applicable Final Terms, Registered Notes offered and sold in the United States or to, or for the account or benefit of, U.S. persons who are QIBs, will be subject to a minimum purchase requirement of U.S.$2,000 (or the equivalent in another Specified Currency) and will be issued in integral amounts of U.S.$1,000 (or the equivalent in another Specified Currency) in excess thereof.
Rating:	If any issue of Notes under the Programme is to be rated, the rating of such Notes will be specified in the applicable Final Terms.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, the laws of England.
Listing:	Notes may be listed on the SGX-ST if the application to the SGX-ST to list a particular Series of Notes is approved. Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as determined by the Issuer. 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 exchange(s) and/or market(s).
Clearing Systems:	Euroclear, Clearstream, Luxembourg, The Depository Trust Company ("**DTC**"), Central Moneymarkets Unit Service (the "**CMU**") and any other clearing system as may be specified in the applicable Final Terms.
Selling and Transfer Restrictions:	The offering, sale, delivery and transfer of Notes and the distribution of this Base Prospectus and other materials in relation to any Notes are subject to restrictions including, in particular, restrictions in Australia, the United States of America, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, South Korea, the People's Republic of China and Taiwan. See "*Notice to Purchasers and Transfer Restrictions*" and "*Subscription and Sale*" on pages 183 to 195, inclusive, of this Base Prospectus. Notes will only be offered to investors in Singapore pursuant to exemptions from the prospectus requirements under the SFA, as more particularly described in the section on "*Subscription and Sale*" of this Base Prospectus. Notes offered to investors outside Singapore will only be offered in compliance with the applicable laws and regulations of the jurisdictions in which Notes are being offered. Notes will not be offered to retail investors.

Any Registered Notes sold in reliance on Rule 144A will be treated as "restricted securities" within the meaning of Rule 144 under the Securities Act until the maturity date of such Registered Notes. Accordingly, holders of any Registered Note will only be able to resell Registered Notes in reliance on Rule 144A or Regulation S or to MBL, any of its Affiliates or any of the Dealers.

In addition, the Notes may be subject to certain restrictions on resales and transfers in the sections headed "*Important Notices*" on pages v to x inclusive, of this Base Prospectus, and "*Notice to Purchasers and Transfer Restrictions*" on pages 183 to 187 (inclusive) of this Base Prospectus.

Risk Factors:

There are certain factors which may affect the ability of MBL and its controlled entities (together, the "**Group**") to fulfil its obligations under Notes issued under the Programme. Investors should note that the risks relating to a particular issue of Notes include risks relating to MBL and the Group, the market generally (such as economic and political events, liquidity risk and exchange rate and interest rate risks), general risks relating to the Notes (such as redemption provisions, reinvestment risk and modification and substitution of conditions) and other legal and investment considerations. Investors should be aware that there may also be structural risks inherent in particular Notes, including with respect to Reference Item Linked Notes, risks relating to unsecured obligations, market disruption, settlement disruption (including as to auction settlement in respect of Credit Linked Notes), inconvertibility and exchange controls (particularly in respect of Notes denominated in RMB), failure to deliver due to illiquidity, expenses and taxation, no claim against the Reference Item, modification, meetings, hedging and potential conflicts of interest, physical delivery requirements and settlement risk, illegality and cancellation, partly-paid Notes, optional redemption, minimum denomination and Rule 144A Notes restrictions. See "*Risk Factors*" on pages 7 to 56 inclusive of this Base Prospectus.

In addition, there are certain factors which are relevant for the purpose of assessing market risks associated with the Notes issued under the Programme and the credit risks associated with the Issuer. These are also included under "*Risk Factors*" on pages 7 to 56 inclusive of this Base Prospectus and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of a particular issue of Notes and certain market and credit risks.

The Notes may not be a suitable investment for all investors

Investors should have (either alone or with the help of a financial adviser) sufficient knowledge and experience in financial and business matters to meaningfully evaluate the merits and risks of investing in a particular issue of Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement or Final Terms as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their particular circumstances.

In addition, an investment in Index Linked Notes, Equity Linked Notes, FX Linked Notes, Commodity Linked Notes, Fund Linked Notes, Credit

Linked Notes or other Reference Item Linked Notes exposes investors to significant risks not associated with investments in more conventional debt or equity securities such as debt or equity securities, including, but not limited to, the risks set out below.

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE (IF APPLICABLE) AND TO SEE HOW THE AMOUNT PAYABLE AND/OR DELIVERABLE ON THE NOTES AND ANY PERIODIC INTEREST ARE DETERMINED AND WHEN SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY NOTES.

RISK FACTORS

The Issuer believes that the investment considerations described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay any cash amounts (including interest, principal or other amounts) in connection with any Cash Settled Notes or to deliver any Entitlements in connection with any Physical Delivery Notes for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. These investment considerations are not intended to be exhaustive and represent contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Potential Investors should carefully read this Base Prospectus, including the risk factors outlined below, and the information incorporated by reference herein in its entirety. This Base Prospectus contains certain forward-looking statements. See "*Cautionary Statement Regarding Forward Looking Statements*" on page x of this Base Prospectus.

Potential investors should consult their own financial, tax and legal advisers as to the risks and investment considerations arising from an investment in the Notes, the appropriate tools to analyse such an investment, and consider the suitability of such an investment in the context of the particular circumstances of each investor.

MBL is an ADI as that term is defined under the Banking Act 1959 of Australia. See "Australian Banking Legislation" on pages viii to ix inclusive of this Base Prospectus.

Terms used but not otherwise defined in this section have the meanings given to them in the Base Conditions.

1. Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

The factors described below represent the inherent risks relating to MBL and its controlled entities (together, the "**Group**"). The value of the Notes depends upon, amongst other things, the ability of MBL to fulfil its obligations under the Notes. The factors described below relating to MBL and the Group are not intended to be exhaustive and the Issuer makes no representation to the contrary.

The financial prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of the commercial and economic risks to which the entity is exposed, many of which are not within their control.

MBL and the Group's business and financial condition has been and may be negatively affected by adverse global credit and other market conditions. Economic conditions, particularly in Australia, the United States, Europe and Asia, may have a negative effect on MBL's and the Group's financial condition and liquidity

The Macquarie Group's businesses operate in or depend on the operation of global markets, including through exposures in securities, loans, derivatives and other activities. In particular, past uncertainty and volatility in global credit markets, liquidity constraints, increased funding costs, constrained access to funding and the decline in equity and capital market activity have adversely affected and may again affect transaction flow in a range of industry sectors. If repeated, such factors could adversely impact the Group's financial performance.

MBL may face new costs and challenges as a result of general economic and geopolitical events and conditions. For instance, a European sovereign default, slowdown in the U.S., Chinese or European economies, the impact of lower and negative interest rates, slowing growth in emerging economies, the departure of the United Kingdom or another member country from the European Union or the

market's anticipation of such events could disrupt global funding markets and the global financial system more generally. MBL may also be impacted indirectly through counterparties that have direct exposure to European sovereigns and financial institutions.

In the aftermath of the global financial crisis that began in 2007, governments, regulators and central banks took a number of steps to increase liquidity and to restore investor and public confidence, including reducing official interest rates, increasing government spending and budget deficits and "quantative easing" programs. As the global economic environment improved, a number of the extraordinary measures were curtailed or withdrawn. Any future withdrawal, maintenance, reinstatement or increase in such measures may create or contribute to uncertainty and volatility in global credit markets and reduce economic growth.

MBL's and the Group's business, including the advisory, transaction execution, funds management and lending businesses have been and may be adversely affected by market uncertainty, volatility or lack of confidence due to general declines in economic activity and other unfavourable economic, geopolitical or market conditions or by the impact of changes in foreign exchange rates

Poor economic conditions and other adverse geopolitical conditions and developments, such as growing tensions between the U.S. and the People's Republic of China and any increase in tariff levels or retaliatory measures, and the ongoing negotiations between the United Kingdom and the European Union to determine the terms of the United Kingdom's departure from the European Union, can adversely affect and have adversely affected investor and client confidence, resulting in declines in the size and number of underwritings and financial advisory transactions and increased market risk as a result of increased volatility, which could have an adverse effect on the Group's revenues and its profit margins. For example, the Group's brokerage, commission and other fee income, and client facilitation fee income may be, and have been, impacted by transaction volumes.

The Group's trading income may be adversely affected during times of subdued market conditions and client activity and increased market risk can lead to trading losses or cause the Group to reduce the size of its trading businesses in order to limit its risk exposure. Market conditions, as well as declines in asset values, may cause the Group's clients to transfer their assets out of the Group's funds or other products or their brokerage accounts and result in reduced net revenues, principally in the Group's funds management business. The Group's funds management fee income, including base and performance fees, may be adversely affected by volatility in equity values and returns from the Group's managed funds.

The value and performance of the Group's loan portfolio may also be adversely affected by deteriorating economic conditions. The Group assesses the credit quality of its loan portfolio and the value of its proprietary investments, including its investments in managed funds, for impairment at each reporting date. The Group's returns from asset sales may decrease if economic conditions deteriorate. In addition, if financial markets decline, revenues from the Group's variable annuity products are likely to decrease. In addition, increases in volatility increase the level of the Group's risk weighted assets and increase the Group's capital requirements. Increased capital requirements may require the Group to raise additional capital at a time, and on terms, which may be less favourable than the Group would otherwise achieve during stable market conditions.

MBL and the Group's liquidity, profitability and businesses may be adversely affected by an inability to access international capital markets or by an increase in their cost of funding

Liquidity is essential to MBL's and the Group's businesses, and MBL and the Group rely on credit and equity markets to fund their operations. MBL's and the Group's liquidity may be impaired by an inability to access debt markets, an inability to sell assets or if MBL and the Group experience unforeseen outflows of cash or collateral. MBL's and the Group's liquidity may also be impaired due

to circumstances that MBL and entities in the Group may be unable to control, such as general market disruptions, which may occur suddenly and dramatically, an operational problem that affects MBL and the Group or MBL's and the Group's trading clients, or changes in MBL's and the Group's credit spreads, which are market-driven and subject at times to unpredictable and highly volatile movements.

General business and economic conditions significantly affect MBL's and the Group's access to credit and equity markets, cost of funding and ability to meet their liquidity needs. Factors such as changes in short term and long term interest rates, inflation, monetary supply, volatility in commodity prices, fluctuations in debt and equity markets, relative changes in foreign exchange rates, consumer confidence and changes in the strength of the economies in which MBL and the Group operate can all affect MBL's and the Group's ability to raise capital. Renewed turbulence or a worsening general economic climate could adversely impact any or all of these factors. If conditions deteriorate or remain uncertain for a prolonged period, MBL's and the Group's funding costs may increase and may limit MBL's and the Group's ability to replace maturing liabilities, which could adversely affect MBL's and the Group's ability to fund and grow their business.

If MBL's or any Group entity's current sources of funding prove to be insufficient, MBL and the Group may be forced to seek alternative financing, which could include selling liquid securities or other assets. The availability of alternative financing will depend on a variety of factors, including prevailing market conditions, the availability of credit and MBL's and the Group's credit ratings and credit capacity. The cost of these alternatives may be more expensive than the Group's current sources of funding or include other unfavourable terms, or MBL and the Group may be unable to raise as much funding as they need to support their business activities. This could slow the growth rate of the Group's businesses, cause MBL and the Group to reduce their term assets and increase their cost of funding.

Many of MBL's and the Group's businesses are highly regulated and they could be adversely affected by temporary and permanent changes in regulations and regulatory policy or unintended consequences from such changes and increased compliance requirements, particularly for financial institutions

The Group operates various kinds of businesses across multiple jurisdictions, and some of its businesses operate across more than one jurisdiction or sector and are regulated by more than one regulator. Additionally, some members of the Macquarie Group own or manage assets and businesses that are regulated. The Group's businesses include an "authorised deposit-taking institution" ("**ADI**") in Australia (regulated by the Australian Prudential Regulation Authority ("**APRA**")), bank branches in the United Kingdom, the Dubai International Finance Centre, Singapore and Hong Kong and representative offices in the United States, New Zealand and Switzerland. The regulations vary from country to country but generally are designed to protect depositors and the banking system as a whole, not holders of MBL's securities or creditors. In addition, as a diversified financial institution, many of the Group's businesses are subject to financial services regulation other than prudential banking regulation. Some of the key regulators and regulatory frameworks applicable to the Group's business are described in the MACQUARIE BANK LIMITED section.

Regulatory agencies and governments frequently review and revise banking and financial services laws, security and competition laws, fiscal laws and other laws, regulations and policies, including fiscal policies. Changes to laws, regulations or policies, including changes in interpretation or implementation of laws, regulations or policies, could substantially affect MBL and the Group or their businesses, the products and services MBL and the Group offer or the value of their assets, or have unintended consequences across MBL's and the Group's business. These may include changing required levels of liquidity and capital adequacy, increasing tax burdens generally or on financial institutions or transactions, limiting the types of financial services and products that can be offered

and/or increasing the ability of other providers to offer competing financial services and products, as well as changes to prudential regulatory requirements. Global economic conditions and increased scrutiny of the culture in the banking sector have led to increased supervision and regulation, as well as changes in regulation in the markets in which MBL and the Group operate and may lead to further significant changes of this kind. In Australia, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the "**Royal Commission**") was established in December 2017 and concluded on 1 February 2019. The Royal Commission inquired into the causes of and responses to misconduct by financial services entities and conduct falling below community standards and expectations and held rounds of public hearings on a wide range of matters, including consumer and small- to medium-sized enterprise ("**SME**") lending, financial advice, superannuation, insurance, culture, governance, remuneration, and the remits of regulators. The Royal Commission's Final Report was published on 4 February 2019 and contains 76 recommendations (the "**Final Report**"). No findings were made by the Royal Commission in relation to the Macquarie Group. There is broad bipartisan support on most of the recommendations contained in the Final Report. The Royal Commission's recommendations are likely to result in a range of significant legislative, regulatory and industry practice changes. Such changes may adversely impact Macquarie Group's business, operations, compliance costs, financial performance and prospects. MBL and the Group are closely monitoring the governmental, regulatory and industry responses to these recommendations and will participate in public and industry consultations as appropriate.

In some countries in which the Group does business, or may in the future do business, in particular in emerging markets, the laws and regulations applicable to the financial services industry are uncertain and evolving, and it may be difficult for the Group to determine the requirements of local laws in every market. The Group's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on its businesses in that market but also on its reputation generally.

In addition, regulation is becoming increasingly extensive and complex and some areas of regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach or certain jurisdictions seeking to expand the territorial reach of their regulation. The nature and impact of future changes are unpredictable, beyond MBL's and the Group's control and may result in potentially conflicting requirements, resulting in additional legal and compliance expenses and changes to their business practices that adversely affect their profitability.

APRA may introduce new prudential regulations or modify existing regulations, including those that apply to MBL as an ADI. Any such event could result in changes to the organisational structure of the Macquarie Group and adversely affect the Group.

The Group is also subject in its operations worldwide to rules and regulations relating to corrupt and illegal payments and money laundering, as well as laws, sanctions and economic trade restrictions relating to doing business with certain individuals, groups and countries. The geographical diversity of its operations, employees, clients and customers, as well as the vendors and other third parties that it deals with, increases the risk that it may be found in violation of such rules or regulations and any such violation could subject the Group to significant penalties, revocation, suspension, restriction or variation of conditions of operating licenses, adverse reputational consequences, litigation by third parties (including potentially class actions) or limitations on its ability to do business. Emerging technologies, such as cryptocurrencies, could limit the Group's ability to track the movement of funds. The Group's ability to comply with these laws is dependent on its ability to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability.

MBL and the Group may be adversely affected by increased governmental and regulatory scrutiny or negative publicity

Governmental scrutiny from regulators, legislative bodies and law enforcement agencies with respect to matters relating to the financial services sector generally, and MBL's business operations, capital, liquidity and risk management, compensation and other matters, has increased dramatically over the past several years. The financial crisis and the subsequent political and public sentiment regarding financial institutions has resulted in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators or other government officials, and in some cases, to increased regulatory scrutiny, investigations and litigation. Responding to and addressing such matters, regardless of the ultimate outcome, is time-consuming, expensive, can adversely affect investor confidence and can divert the time and effort of the Group's staff (including senior management) from their business. Investigations, inquiries, penalties and fines sought by regulatory authorities have increased substantially over the last several years, and regulators have become aggressive in commencing enforcement actions or with advancing or supporting legislation targeted at the financial services industry. If the Group is subject to adverse regulatory findings, the financial penalties could have a material adverse effect on its results of operations. Adverse publicity, governmental scrutiny and legal and enforcement proceedings can also have a negative impact on the Group's reputation with clients and on the morale and performance of its employees.

Changes and increased volatility in currency exchange rates may adversely impact the Group's financial results and its financial and regulatory capital positions

While the Group's consolidated financial statements are presented in Australian dollars, a significant portion of the Group's operating income is derived, and operating expenses are incurred from its offshore business activities, which are conducted in a broad range of currencies. Changes in the rate at which the Australian dollar is translated from other currencies can impact the Group's financial statements and the economics of its business.

Although the Group seeks to carefully manage its exposure to foreign currencies, in part, through matching of assets and liabilities in local currencies and through the use of foreign exchange forward contracts to hedge its exposure, the Group is still exposed to exchange risk. Insofar as the Group is unable to hedge or has not completely hedged its exposure to currencies other than the Australian dollar, the Group's reported profit or foreign currency translation reserve would be affected.

In addition, because the Group's regulatory capital position is assessed in Australian dollars, its capital ratios may be adversely impacted by a depreciating Australian dollar, which increases the capital requirement for assets denominated in currencies other than Australian dollars.

MBL's and the Group's business may be adversely affected by their failure to adequately manage the risks associated with strategic opportunities and new businesses, including acquisitions, and the exiting or restructuring of existing businesses

MBL and other entities in the Group are continually evaluating strategic opportunities and undertaking acquisitions of businesses, some of which may be material to their operations. MBL's and/or the Group's completed and prospective acquisitions and growth initiatives may cause them to become subject to unknown liabilities of the acquired or new business and additional or different regulations.

Any time MBL and such other Group entities make an acquisition, they may over value the acquisition, they may not achieve expected synergies, they may achieve lower than expected cost savings or otherwise incur losses, they may lose customers and market share, they may face disruptions to their operations resulting from integrating the systems, processes and personnel (including in respect of risk management) of the acquired business into the Group or their

management's time may be diverted to facilitate the integration of the acquired business into MBL or the relevant Group entity. MBL and other entities in the Group may also underestimate the costs associated with outsourcing, exiting or restructuring existing businesses. Where MBL's and/or the Group's acquisitions are in foreign jurisdictions, or are in emerging or growth economies in particular, they may be exposed to heightened levels of regulatory scrutiny and political, social or economic disruption and sovereign risk in emerging and growth markets.

MBL's and the Group's businesses depend on the Macquarie Group's brand and reputation

The Group believes its reputation in the financial services markets and the recognition of the Macquarie brand by its customers are important contributors to its business. Many companies in the Macquarie Group and many of the funds managed by entities owned, in whole or in part, by MBL and MGL use the Macquarie name. The Group does not control those entities that are not in the Group, but their actions may reflect directly on its reputation.

The Group may be adversely affected by the negative publicity or poor financial performance in relation to any of the entities using the Macquarie name, including any Macquarie-managed fund or funds that MBL has promoted or is associated with, as investors and lenders may associate such entities and funds with the name, brand and reputation of the Group and the Macquarie Group and other Macquarie-managed funds. If funds that use the Macquarie name or are otherwise associated with Macquarie-managed infrastructure assets, such as roads, airports, utilities and water distribution facilities that people view as community assets, are perceived to be managed inappropriately, those managing entities could be subject to criticism and negative publicity, harming MBL's and the Group's reputation and the reputation of other entities that use the Macquarie name.

Competitive pressure, both in the financial services industry as well as in the other industries in which MBL and the Group operates, could adversely impact their business and results of operation

MBL and the Group face significant competition from local and international competitors, which compete vigorously in the markets and sectors across which the Group operates. MBL and the Group compete, both in Australia and internationally, with asset managers, retail and commercial banks, private banking firms, investment banking firms, brokerage firms, internet-based firms, commodity trading firms and other investment and service firms as well as businesses in adjacent industries, in connection with the various funds and assets they manage and services they provide. This includes specialist competitors that may not be subject to the same capital and regulatory requirements and therefore may be able to operate more efficiently. In addition, digital technologies and business models are changing consumer behaviour and the competitive environment. The use of digital channels by customers to conduct their banking continues to rise and emerging competitors are increasingly utilising new technologies and seeking to disrupt existing business models, including in relation to digital payment services and open data banking, that challenge, and could potentially disrupt, traditional financial services. MBL and the Group face competition from established providers of financial services as well as from businesses developed by non-financial services companies. MBL and the Group believe that they will continue to experience pricing pressures in the future as some of their competitors seek to obtain or increase market share.

Any consolidation in the global financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power. In recent years, competition in the financial services industry has also increased as large insurance and banking industry participants have sought to establish themselves in markets that are perceived to offer higher growth potential and as local institutions have become more sophisticated and competitive and have sought alliances, mergers or strategic relationships. Many of MBL's and the Group's competitors are larger than they are and may have significantly greater

financial resources than the Group and/or may be able to offer a wider range of products which may enhance their competitive position.

MBL and the Group also depend on their ability to offer products and services that match evolving customer preferences. If MBL and the Group are not successful in developing or introducing new products and services or responding or adapting to changes in customer preferences and habits, they may lose customers to their competitors. The effect of competitive market conditions, especially in MBL's and the Group's main markets, products and services, may lead to an erosion in their market share or margins and could adversely impact their businesses, prospects, results of operation and/or financial condition.

MBL's and the Group's ability to retain and attract qualified employees is critical to the success of their business and the failure to do so may materially adversely affect their performance

MBL's and the Group's employees are their most important resource, and their performance largely depends on the talents and efforts of highly-skilled individuals. MBL's and the Group's continued ability to compete effectively in their businesses and to expand into new business areas and geographic regions depends on their ability to retain and motivate their existing employees and attract new employees. Competition from within the financial services industry and from businesses outside the financial services industry, such as professional service firms, hedge funds, private equity funds and venture capital funds, for qualified employees has historically been intense and is expected to increase during periods of economic growth.

In order to attract and retain qualified employees, MBL and the Group must compensate such employees at or above market levels. Typically, those levels have caused employee remuneration to be the Group's greatest expense as its performance-based remuneration has historically been cash and equity based and highly variable. Recent market events have resulted in increased regulatory and public scrutiny of corporate remuneration policies and the establishment of criteria against which industry remuneration policies may be assessed. As a regulated entity, MBL may be subject to limitations on remuneration practices (which may or may not affect its competitors). These limitations may require MBL and the Group to further alter their remuneration practices in ways that could adversely affect their ability to attract and retain qualified and talented employees.

In addition, current and future laws (including laws relating to immigration and outsourcing) may restrict MBL’s and the Group's ability to move responsibilities or personnel from one jurisdiction to another. This may impact MBL's and the Group's ability to take advantage of business and growth opportunities or potential efficiencies, which could adversely affect their profitability.

MBL's and the Group's businesses are subject to the risk of loss associated with falling prices in the equity and other markets in which they operate

MBL and the Group are exposed to changes in the value of financial instruments and other financial assets that are carried at fair market value, as well as changes to the level of their advisory and other fees, due to changes in interest rates, exchange rates, equity and commodity prices and credit spreads and other market risks. These changes may result from changes in economic conditions, monetary and fiscal policies, market liquidity, availability and cost of capital, international and regional political events, acts of war or terrorism, corporate, political or other scandals that reduce investor confidence in capital markets, natural disasters or pandemics or a combination of these or other factors. MBL and the Group trade in foreign exchange, interest rate, commodity, bullion, energy, securities and other markets and are active price makers in the derivatives market. Certain financial instruments that MBL and/or the Group hold and contracts to which they are a party are increasingly complex and these complex structured products often do not have readily available markets to access in times of liquidity stress. MBL and the Group may incur losses as a result of decreased market

prices for products they trade, which decreases the valuation of their trading and investment positions, including their interest rate and credit products, currency, commodity and equity positions.

In addition, reductions in equity market prices or increases in interest rates may reduce the value of their clients' portfolios, which in turn may reduce the fees MBL and the Group earn for managing assets in certain parts of their business. Increases in interest rates or attractive prices for other investments could cause MBL's and the Group's clients to transfer their assets out of their funds or other products.

Defaults by one or more other large financial institutions or counterparties could adversely affect financial markets generally

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among financial institutions. Concerns about, or a default by, one or more institutions or by a sovereign could lead to market-wide liquidity problems, losses or defaults by other institutions globally that may further affect MBL and the Group. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms, hedge funds and exchanges that MBL and the Group interacts with on a daily basis. If any of MBL's and the Group's counterpart financial institutions fail, their financial exposures to that institution may lose some or all of their value. The failure of one financial institution may also affect the soundness of other financial institutions with which MBL and the Group transacts, resulting in additional failures, financial instruments losing their value and liquidity, and interruptions to capital markets. Any of these events would have a serious adverse effect on MBL's and the Group's liquidity, profitability and value.

An increase in the failure of third parties to honour their commitments in connection with MBL's and the Group's trading, lending and other activities, including funds that they manage, may adversely impact their businesses

MBL and the Group are exposed to the potential for credit-related losses that can occur as a result of an individual, counterparty or issuer being unable or unwilling to honour its contractual obligations. MBL and the Group are also exposed to potential concentration risk arising from large individual exposures or groups of exposures. Like any financial services organisation, MBL and the Group assume counterparty risk in connection with their lending, trading, derivatives and other businesses where they rely on the ability of third parties to satisfy their financial obligations to them on a timely basis. MBL's and the Group's recovery of the value of the resulting credit exposure may be adversely affected by a number of factors, including declines in the financial condition of the counterparty, the value of property they hold as collateral and the market value of the counterparty instruments and obligations they hold. See Note 34.1 to the 2019 audited consolidated annual financial statements of MBL for a description of the most significant regional, business segment and individual credit exposures where the Group believes there is a significant risk of loss. Credit losses can and have resulted in financial services organisations realising significant losses and in some cases failing altogether. To the extent MBL's and the Group's credit exposure increases, it could have an adverse effect on their business and profitability if material unexpected credit losses occur. MBL's and the Group are also subject to the risk that their rights against third parties may not be enforceable in all circumstances. MBL and the Group's inability to enforce their rights may result in losses.

Credit constraints of purchasers of MBL's and/or the Group's investment assets and on their clients may impact their income

Historically, MBL and the Group have generated a portion of their income from the sale of assets to third parties, including their funds. If buyers are unable to obtain financing to purchase assets that MBL and the Group currently hold or purchase with the intention to sell in the future, MBL and the

Group may be required to hold investment assets for a longer period than they intended to or sell these assets at lower prices than they historically would have expected to achieve, which may lower their rate of return on these investments and require funding for periods longer than they have anticipated.

Failure of MBL or the Group to maintain their credit ratings and those of their subsidiaries could adversely affect their cost of funds, liquidity, competitive position and access to capital markets

The credit ratings assigned to MBL or the Group and certain of their subsidiaries by rating agencies are based on an evaluation of a number of factors, including the Group's ability to maintain a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, funding stability and security, disciplined liquidity management and its key operating environments, including the availability of systemic support in Australia. In addition, a credit rating downgrade could be driven by the occurrence of one or more of the other risks identified in this section or by other events that are not related to the Group.

If the Group entities fail to maintain their current credit ratings, this could (i) adversely affect MBL's or the Group's cost of funds and related margins, liquidity, competitive position, the willingness of counterparties to transact with the Group and its ability to access capital markets or (ii) trigger MBL's or the Group's obligations under certain bilateral provisions in some of their trading and collateralised financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with the Group or require it to post additional collateral. Termination of MBL's or a Group entity's trading and collateralised financing contracts could cause them to sustain losses and impair their liquidity by requiring them to find other sources of financing or to make significant cash payments or securities movements.

MBL and the Group may incur losses as a result of ineffective risk management processes and strategies

While MBL and the Group employ a range of risk monitoring and risk mitigation techniques, those techniques and the judgements that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. As such, MBL and the Group may, in the course of their activities, incur losses. There can be no assurance that the risk management processes and strategies that MBL and the Group have developed will adequately anticipate or be effective in addressing market stress or unforeseen circumstances.

For a further discussion of MBL's risk management policies and procedures, see Note 34 to the 2019 audited consolidated annual financial statements of MBL and in the "Risk Management Report" in the 2019 annual report of MGL.

Future growth, including through acquisitions, mergers and other corporate transactions, may place significant demands on MBL's and the Group's managerial, legal, accounting, IT, risk management, operational and financial resources and may expose them to additional risks

Future growth, including through acquisitions, mergers and other corporate transactions, may place significant demands on the Group's legal, accounting, IT, risk management and operational infrastructure and result in increased expenses. The Group's future growth will depend, among other things, on its ability to integrate new businesses, maintain an operating platform and management system sufficient to address its growth, attract employees and other factors described herein. If the Group does not manage its expanding operations effectively, its ability to generate revenue and control its expenses could be adversely affected.

A number of the Group's recent and planned business initiatives and further expansions of existing businesses are likely to bring it into contact with new clients, new asset classes and other new

products or new markets. These business activities expose the Group to new and enhanced risks, including reputational concerns arising from dealing with a range of new counterparties and investors, actual or perceived conflicts of interest, regulatory scrutiny of these activities, potential political pressure, increased credit-related and operational risks, including risks arising from IT systems and reputational concerns with the manner in which these businesses are being operated or conducted.

MBL and the Group may experience write-downs of their funds management assets, investments, loans and other assets

MBL and its controlled entities recorded A$247 million of credit and other impairment charges for the year ended 31 March 2019, including A$131 million of credit impairment charges, and A$116 million for other impairment charges on interests in associates and joint ventures, intangible assets and other non-financial assets. Further credit and other impairments and provisions may be required in future periods if the market value of assets similar to those held were to decline.

Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces MBL's and the Group's ability to limit losses in such positions and the difficulty in valuing assets may negatively affect their capital, liquidity or leverage ratios, increase their funding costs and generally require them to maintain additional capital.

The Group relies on services provided by Macquarie Group

Under the services agreements, the Macquarie Group provides shared services to the Group. These shared services include risk management, financial operations and economic research services, information technology, treasury, settlement services, equity markets operation services, human resources, business services, company secretarial and investor relations, media relations and corporate communications, taxation, business improvement and strategy, central executive services, accommodation and related services, other group-wide services and business shared services. Other than exercising its rights under the services agreements, the Group has no direct control over the provision of those services, the Macquarie Group's continued provision of those services or the cost at which such services are provided. Any failure by the Macquarie Group to continue to provide those services or an increase in the cost of those services will have an adverse impact on the Group's results or operations.

Apart from its rights under the services agreements, MBL has no control over the management, operations or business of entities in the Macquarie Group that are not part of the Group

Entities in the Macquarie Group that are not part of the Group may compete and establish businesses that compete with the businesses of the Group and those other entities are not obligated to support the businesses of the Group. Other than APRA prudential standards and capital adequacy requirements, there are no regulations or agreements governing the allocation of future business between the Group and the Non-Banking Group.

MBL's and the Group's business operations expose them to potential tax liabilities that could have an adverse impact on their results of operation and reputation

MBL and the Group are exposed to risks arising from the manner in which the Australian and international tax regimes may be applied and enforced, both in terms of their own tax compliance and the tax aspects of transactions on which they work with clients and other third parties. MBL's and the Group's international, multi-jurisdictional platform increases their tax risks. In addition, as a result of increased funding needs by governments employing fiscal stimulus measures, revenue

authorities in many of the jurisdictions in which MBL and the Group operate have become more active in their tax collection activities.

While the Group believes that it has in place controls and procedures that are designed to ensure that transactions involving third parties comply with applicable tax laws and regulations, any actual or alleged failure to comply with or any change in the interpretation, application or enforcement of applicable tax laws and regulations could adversely affect its reputation and affected business areas, significantly increase its own tax liability and expose it to legal, regulatory and other actions.

MBL and the Group may incur financial loss, adverse regulatory consequences or reputational damage due to inadequate or failed internal or external operational systems, processes, people including conduct by their employees, contractors and external service providers, or systems or external events

MBL's and the Group's businesses depend on their ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, across numerous and diverse markets in many currencies. As MBL's and the Group's client base, business activities and geographical reach expands, developing and maintaining their operational systems and infrastructure becomes increasingly challenging. MBL and the Group must continuously update these systems to support their operations and growth, which may entail significant costs and risks of successful integration. MBL's and the Group's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond their control, such as a spike in transaction volume or disruption in internet services provided by third parties.

MBL and the Group are exposed to the risk of loss resulting from human error, the failure of internal or external processes and systems, such as from the disruption or failure of our IT systems, or from external suppliers and service providers including cloud-based outsourced technology platforms, or external events. Such operational risks may include theft and fraud, employment practices and workplace safety, improper business practices, mishandling of client monies or assets, client suitability and servicing risks, product complexity and pricing, and valuation risk or improper recording, evaluating or accounting for transactions or breaches of their internal policies and regulations. There is increasing regulatory and public scrutiny concerning outsourced and off-shore activities and their associated risks, including, for example, the appropriate management and control of confidential data. If MBL and the Group fail to manage these risks appropriately, they may incur financial losses and/or regulatory intervention and penalties, and their reputation and ability to retain and attract clients may be adversely affected.

In addition, there have been a number of highly publicised cases around the world involving actual or alleged fraud or other misconduct by employees in the financial services industry in recent years, and MBL and the Group run the risk that employee, contractor and external service provider misconduct could occur. In addition, risk could occur through the provision of products and services to MBL's and the Group's customers that do not meet their needs, such as through a failure to meet professional obligations to specific clients (including fiduciary and suitability requirements), poor product design and implementation, selling products and services outside of customer target markets or a failure to adequately provide the products or services MBL and the Group had agreed to provide a customer. It is not always possible to deter or prevent employee misconduct and the precautions MBL and the Group take to prevent and detect this activity may not be effective in all cases, which could result in financial losses, regulatory intervention and reputational damage.

In addition, MBL and the Group also face the risk of operational failure, termination or capacity constraints of any of the counterparties, clearing agents, exchanges, clearing houses or other financial intermediaries MBL and the Group use to facilitate their securities or derivatives transactions, and as MBL and the Group's interconnectivity with their clients and counterparties

grows, the risk to MBL and the Group of failures in their clients' and counterparties' systems also grows. Any such failure, termination or constraint could adversely affect MBL's and the Group's ability to effect or settle transactions, service their clients, manage their exposure to risk, meet their obligations to counterparties or expand their businesses or result in financial loss or liability to their clients and counterparties, impairment of their liquidity, disruption of their businesses, regulatory intervention or reputational damage.

A cyber attack, information or security breach, or a technology failure of MBL or the Group or of a third party could adversely affect their ability to conduct their business, manage their exposure to risk or expand their businesses, result in the disclosure or misuse of confidential or proprietary information and increase their costs to maintain and update their operational and security systems and infrastructure

The Group's businesses depend on the security and efficacy of its information technology systems, as well as those of third parties with whom it interacts or on whom it relies. The Group's businesses rely on the secure processing, transmission, storage and retrieval of confidential, proprietary and other information in their computer and data management systems and networks, and in the computer and data management systems and networks of third parties. In addition, to access its network, products and services, its customers and other third parties may use personal mobile devices or computing devices that are outside of its network environment and are subject to their own cybersecurity risks. The Group implements measures designed to protect the security, confidentiality, integrity and availability of its computer systems, software and networks, including maintaining the confidentiality of information that may reside on those systems. However, there can be no assurances that the Group's security measures will provide absolute security.

Information security risks for financial institutions have increased in recent years, in part because of the proliferation of new technologies, the use of internet and telecommunications technology and the increased sophistication and activities of attackers (including hackers, organised criminals, terrorist organisations, hostile foreign governments, disgruntled employees or vendors, activists and other external parties, including those involved in corporate espionage). Targeted social engineering attacks are becoming more sophisticated and are extremely difficult to prevent. The techniques used by hackers change frequently, may not be recognised until launched and may not be recognised until well after a breach has occurred. Additionally, the existence of cyber attacks or security breaches at third parties with access to the Group's data, such as vendors, may not be disclosed to it in a timely manner. The Group, its customers, regulators and other third parties have been subject to, and are likely to continue to be the target of, cyber attacks. The Group's computer systems, software and networks may be vulnerable to unauthorised access, misuse, denial-of-service or information attacks, phishing attacks, computer viruses or other malicious code and other events that could result in the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of the Group, its employees, its customers or of third parties, damages to systems, or otherwise material disruption to it or its customers' or other third parties' network access or business operations. As cyber threats continue to evolve, the Group may have to significantly increase the resources it allocates to enhance its protective measures or to investigate and remediate any information security vulnerabilities or incidents. Despite efforts to protect the integrity of the Group's systems and implement controls, processes, policies and other protective measures, it may not be able to anticipate all security breaches or implement preventive measures against such security breaches. Cyber threats are rapidly evolving and the Group may not be able to anticipate or prevent all such attacks.

Information security threats may also occur as a result of the Group's plans to continue to implement internet banking and mobile banking channel strategies, develop additional remote connectivity solutions and outsource some of the Group's business operations. The Group faces indirect technology, cybersecurity and operational risks relating to the customers, clients, external service providers and other third parties with whom it does business or upon whom it relies to facilitate or

enable its business activities, including financial counterparties, financial intermediaries (such as clearing agents, exchanges and clearing houses), vendors, regulators, providers of critical infrastructure (such as internet access and electrical power), retailers for whom it processes transactions, as well as other third parties with whom the Group's clients do business, can also be sources of operational risk to it, including with respect to security breaches affecting such parties, breakdowns or failures of the systems or misconduct by the employees, contractors or external service providers of such parties and cyber attacks. Such incidents may require the Group to take steps to protect the integrity of its own operational systems or to safeguard its confidential information and that of its clients, thereby increasing its operational costs and potentially diminishing customer satisfaction.

As a result of increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber attack or other information or security breach that significantly degrades, deletes or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including the Group. This consolidation interconnectivity and complexity increases the risk of operational failure, on both individual and industry-wide bases, as disparate systems need to be integrated, often on an accelerated basis. Any third-party technology failure, cyber attack or other information or security breach, termination or constraint could, among other things, adversely affect the Group's ability to effect transactions, service its clients, manage its exposure to risk or expand its businesses.

Although to date the Group has not experienced any material losses or suffered other material consequences relating to technology failure, cyber attacks or other information or security breaches, whether directed at it or at third parties, there can be no assurance that it will not suffer such losses or other consequences in the future. It is possible that the Group may not be able to anticipate or to implement effective measures to prevent or minimise damage that may be caused by all information security threats, because the techniques used can be highly sophisticated and can evolve rapidly, and perpetrators can be well resourced. Cyber attacks or other information or security breaches, whether directed at the Group or third parties, may result in a material loss or have adverse consequences for the Group including operational disruption, financial losses, reputational damage, theft of intellectual property and customer data, violations of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in its security measures and additional compliance costs, all of which could have a material adverse impact on the Group. Furthermore, the public perception that a cyber attack on its systems has been successful, whether or not this perception is correct, may damage the Group's reputation with customers and third parties with whom it does business.

The Group's businesses, including its commodities activities and particularly its physical commodities trading businesses, are subject to the risk of unforeseen, hostile or potential catastrophic events, and environmental, reputational and other risks that may expose it to significant liabilities and costs

The Group's businesses are subject to the risk of unforeseen, hostile or catastrophic events, many of which are outside of its control, including natural disasters, extreme weather events (such as persistent winter storms or protracted droughts), leaks, spills, explosions, release of toxic substances, fires, accidents on land or at sea, terrorist attacks or other hostile or catastrophic events. Additionally, rising climate change concerns may lead to additional regulation that could increase the operating costs and/or reduce the profitability of the Group's investments. In addition, the Group relies on third party suppliers or service providers to perform their contractual obligations. If such third party suppliers or service providers are affected by such events, they may be unable to perform their obligations and any failure on their part could adversely affect the Group's business. The Group may also not be able to obtain insurance to cover some of these risks and the insurance that it has may be inadequate to cover its losses.

The occurrence of any such events may prevent MBL and the Group from performing under their agreements with clients, may impair their operations or financial results, and may result in litigation, regulatory action, negative publicity or other reputational harm.

Conflicts of interest could limit the Group's current and future business opportunities

As the Group expands its businesses and its client base, it increasingly has to address potential or perceived conflicts of interest, including situations where its services to a particular client conflict with, or are perceived to conflict with, its own proprietary investments or other interests or with the interests of another client, as well as situations where one or more of its businesses have access to material non-public information that may not be shared with other businesses within the Macquarie Group. While the Group believes it has adequate procedures and controls in place to address conflicts of interest, including those designed to prevent the improper sharing of information among its businesses, appropriately dealing with conflicts of interest is complex and difficult, and its reputation could be damaged and the willingness of clients or counterparties to enter into transactions may be adversely affected if MBL fails, or appears to fail, to deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to claims by and liabilities to clients, litigation or enforcement actions.

Litigation and regulatory actions may adversely impact MBL's and the Group's results of operations

MBL and the Group may, from time to time, be subject to material litigation and regulatory actions, for example, as a result of inappropriate documentation of contractual relationships, class actions or regulatory violations, which, if they crystallise, may adversely impact upon their results of operations and financial condition in future periods or their reputation. MBL and the Group regularly obtain legal advice and make provisions, as deemed necessary. There is a risk that any losses may be larger than anticipated or provided for or that additional litigation, regulatory actions or other contingent liabilities may arise. Furthermore, even where monetary damages may be relatively small, an adverse finding in a regulatory or litigation matter could harm MBL and the Group's reputation or brand, thereby adversely affecting their business.

In conducting its businesses around the world, the Group is subject to political, economic, market, reputational, legal, operational, regulatory and other risks

In conducting its businesses and maintaining and supporting its global operations, the Group is subject to risks of possible nationalisation and/or confiscation of assets, expropriation, price controls, capital controls, redenomination risk, exchange controls, protectionist trade policies, economic sanctions and other restrictive governmental actions, unfavourable political and diplomatic developments and changes in legislation. These risks are particularly elevated in emerging markets. The Group could also be affected by disease outbreaks, which may adversely affect local or regional economies and inhibit international trade and travel. A number of jurisdictions in which it does business have been negatively affected by slow growth rates or recessionary conditions, market volatility and/or political unrest. The political and economic environment in Europe has improved but remains challenging and the current degree of political and economic uncertainty could increase. In the United Kingdom, the ongoing negotiation of the terms of, and uncertainty surrounding, the exit of the United Kingdom from the European Union is affecting many aspects of financial regulation and may, in some instances, contribute to decreased liquidity and increased volatility in the financial markets, including the market value of securities in the secondary market.

Potential risks of default on sovereign debt in some jurisdictions could expose the Group to substantial losses. Risks in one nation can limit its opportunities for portfolio growth and negatively affect its operations in other nations. Market and economic disruptions of all types may affect consumer confidence levels and spending, corporate investment and job creation, bankruptcy rates,

levels of incurrence and default on consumer and corporate debt, economic growth rates and asset values, among other factors. Any such unfavourable conditions or developments could have an adverse impact on its business.

Geopolitical instability, such as threats of, potential for, or actual conflict, occurring around the world, may also adversely affect global financial markets, general economic and business conditions and MBL's ability to continue operating or trading in a country, which in turn may adversely affect the Group's business, prospects, results of operations and/or financial condition.

The Group could suffer losses due to environmental and social factors

The Group and its customers operate businesses and hold assets in a diverse range of geographic locations. Any significant environmental change, climate change related impact (including physical or transition risks such as changes to laws and regulations, technology development and disruptions), or external event (including increased frequency and severity of storms, floods and other catastrophic events such as earthquake, pandemic, civil unrest or terrorism events) in any of these locations has the potential to disrupt business activities, impact the Group's operations, damage property and otherwise affect the value of assets held in the affected locations and the Group's ability to recover amounts owing to it. Any such long-term, adverse environmental consequences could prompt the Macquarie Group to exit certain businesses altogether. In addition, such an event or environmental change (as the case may be) could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets, all of which could adversely affect the Group's business, prospects, financial performance or financial condition.

Failure of the Group's insurance carriers or its failure to maintain adequate insurance cover could adversely impact its results of operations

The Group maintains insurance that it considers to be prudent for the scope and scale of its activities. If the Group's carriers fail to perform their obligations to the Group and/or its third party cover is insufficient for a particular matter or group of related matters, its net loss exposure could adversely impact its results of operations.

The Group is subject to risks in using custodians

Certain products the Group manages depend on the services of custodians to carry out certain securities transactions. In the event of the insolvency of a custodian, the Group might not be able to recover equivalent assets in full (including any cash held on its behalf) as they will rank among the custodian's unsecured creditors in relation to assets which the custodian borrows, lends or otherwise uses. In addition, the cash held with a custodian in connection with these products will not be segregated from the custodian's own cash, and the creditors of these products will therefore rank as unsecured creditors in relation to the cash they have deposited.

2. Risks relating to Notes and the market generally

Certain issues of Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment.

Australian insolvency laws

In the event that MBL is, is likely to become or becomes insolvent, insolvency proceedings are likely to be governed by Australian law or the law of another jurisdiction determined in accordance with Australian law. Australian insolvency laws are, and the laws of that other jurisdiction can be expected to be, different from the insolvency laws of other jurisdictions. In particular, the voluntary administration procedure under the Corporations Act 2001 of Australia and regulations thereunder, which provides for the potential re-organisation of an insolvent company, differs significantly from

similar provisions under the insolvency laws of other jurisdictions. If MBL becomes insolvent, the treatment and ranking of Noteholders and MBL's shareholders under Australian law, and the laws of any other jurisdiction determined in accordance with Australian law, may be different from the treatment and ranking of Noteholders and MBL's shareholders if MBL were subject to the bankruptcy laws or the insolvency laws of other jurisdictions.

In September 2017, reforms to Australian insolvency laws were passed. Among other things, the legislation provides for a stay on enforcement of certain rights arising under a contract (such as a right entitling a creditor to terminate the contract or to accelerate payments or providing for automatic acceleration) for a certain period of time (and potentially, indefinitely), if the reason for enforcement is the occurrence of certain events relating to specified insolvency proceedings (such as the appointment of an administrator, managing controller or an application for a scheme of arrangement) or the company's financial position during those insolvency proceedings (known as "**ipso facto rights**").

The stay will apply to ipso facto rights arising under contracts, agreements or arrangements entered into after 1 July 2018, subject to certain exclusions. On 21 June 2018, the Australian federal government introduced regulations setting out the types of contracts and contractual rights which will be excluded from the stay (the "**Regulations**").

The regulations provide, among other things, that any ipso facto rights under a contract, agreement or arrangement that is or governs securities, financial products, bonds or promissory notes will be exempt from the stay. Furthermore, the Regulations also provide that, a contract, agreement or arrangement that is, or is directly connected with a derivative, will not be the subject of the stay. Accordingly, the Regulations should exclude the Notes and certain other related arrangements from the stay. As the legislation and the Regulations are new to the insolvency regime in Australia, they have not been the subject of judicial interpretation. If the Regulations are determined not to exclude the Notes or any other arrangements relating to the Programme, from their operation under the exclusions mentioned above or any other exclusion under the Regulations, this may render unenforceable in Australia provisions of the Structured Notes or the Programme conditioned solely on the occurrence of events giving rise to ipso facto rights.

No third party guarantees for the issue of Notes

Investors should be aware that no guarantee is given in relation to the Notes by the shareholders of MBL or any other person.

The Notes are not guaranteed by the Commonwealth of Australia.

The Notes are unsecured obligations

The Notes constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank equally among themselves and rank equally (subject to exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and unsecured indebtedness or obligations, as applicable, of the Issuer. MBL is an ADI as that term is defined under the Banking Act 1959 of Australia (as described further in Note Condition 3.1).

Movements in the Reference Items will affect the performance of the Notes

Movements in the level or price of the Reference Item(s) to which Reference Item Linked Notes are linked 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 level or price of such Reference Item(s) may affect the actual yield to investors, even if the average level is consistent with their expectations.

The Issuer, the Dealer(s) (if any) and the Calculation Agent have no duty to disclose information with respect to any Reference Item, including non-public information

The Issuer, the Dealer(s) (if any), the Calculation Agent, any of their respective Affiliates or any of their respective directors may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Reference Item that they may not disclose. In particular, but without limitation, the Issuer may be privy to non-public information in relation to the Reference Items underlying Credit Linked Notes, Fund Linked Notes, Index Linked Notes, Equity Linked Notes, FX Linked Notes and Commodity Linked Notes.

None of the Issuer, the Dealer(s), the Calculation Agent, any of their respective Affiliates or any of their respective directors, employees or agents is under any obligation (i) to assess on the Noteholders' behalf, the likely performance of the Reference Item(s) or conduct any investigation or due diligence in respect of the Reference Item(s) or (ii) other than as may be required by applicable rules and regulations relating to the Notes to disclose any public or non-public information they may possess in respect of the Reference Item(s).

Prospective investors must therefore make an investment decision based upon their own due diligence and purchase the Reference Item Linked Notes in the knowledge that public and non-public information which the Issuer, the Dealer(s) (if any), the Calculation Agent, any of their respective Affiliates or any of their respective directors may have will not be disclosed to investors.

Leverage will magnify the effect of changes in the Reference Items

If the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Entitlement, as the case may be, and any periodic interest payments 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 or price of the Reference Item(s) to which Reference Item Linked Notes are linked on the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Entitlement or interest payable will be increased.

The Notes may not be liquid

Upon issuance, the Notes may not have an established trading market. Although the Notes may be listed on an exchange, there is no assurance that a trading market for the Notes will ever develop or be maintained if developed. In addition to MBL's creditworthiness, many factors affect the trading market for, and trading value of, the Notes. These factors include but are not limited to the complexity and volatility of the index or formula applicable to the Notes (if any); the method of calculating the payments due in respect of the Notes; the time remaining to the stated maturity of the Notes; the outstanding amount of the Notes; any redemption features of the Notes; the amount of other debt securities linked to the index or formula applicable to the Notes (if any); the level, direction and volatility of market interest rates generally; investor confidence and market liquidity; and MBL's financial condition and results of operations.

Notes issued under the Programme may have no established trading market when issued. The Dealers (if any) have no obligation to make a market in the Notes and unless such Dealers can do so voluntarily, a market in the Notes may never develop. If a market for the Notes does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional

debt securities. A decrease in liquidity may have a severely adverse effect on the market value of Notes.

In addition, investors should be aware of the risk that global credit market conditions may result in a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of MBL or the relevant underlying to which payments on the Notes may be linked.

There may be a limited number of buyers if and when an investor decides to sell Notes. The Notes may only be resold or transferred (i) pursuant to the exemption from the registration requirements of the Securities Act provided by Rule 144A, (ii) in a transaction not subject to registration under the Securities Act in reliance on Regulation S, (iii) to MBL or any of its subsidiaries, or (iv) to a Dealer that is a party to the Programme Agreement. MBL and/or its Affiliates have no obligation to make a market with respect to the Notes and make no commitment to make a market in or repurchase the Notes. These factors may affect the price an investor receives for such Notes or the ability to sell such Notes at all. In addition, Notes that are designed for specific investment objectives or strategies often experience a more limited trading market and more price volatility than those not so designed. Investors should not purchase Notes unless they understand all of the investment risks involving the Notes.

The Notes are subject to transfer restrictions

The Notes have not been, and will not be, registered under the Securities Act or any other applicable state securities laws. If the Notes are offered to investors in the United States, such Notes will be offered in private transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are subject to certain restrictions on the resale and other transfer thereof until the Notes mature as set forth under "*Important Notices*" and "*Notice to Purchasers and Transfer Restrictions*". As a result of these restrictions, there can be no assurance as to the existence of a secondary market for the Notes or the liquidity of such market if one develops. Consequently, investors must be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Risks related to implementation of regulatory reform

In Europe, the U.S., Australia and elsewhere there is increased political and regulatory scrutiny of banks and the financial and securities industry. This has resulted in a raft of measures for increased financial regulation which are currently at various stages of implementation and which may affect the value of Reference Item(s), which may ultimately affect the value, trading price and viability of the Notes. For example, the Dodd-Frank Act may impose limits on the maximum position that could be held by a single trader in certain Reference Items or Reference Entities and may subject certain transactions to new forms of regulation that could create barriers to some types of hedging activity by the Issuer. Other European (such as Regulation (EU) 648/2012 of 4 July 2012 (the "**European Market Infrastructure Regulation**" or "**EMIR**")), Australian or US legislative or regulatory provisions (or corresponding legislative or regulatory provisions in other jurisdictions may, amongst other things: (i) require certain Reference Items, Reference Entities or hedging transactions to be cleared and/or traded on a regulated exchange, (ii) expand entity registration requirements, (iii) impose collateral exchange and collection obligations in respect of certain Reference Items or hedging transactions, and/or (iv) impose business conduct requirements on persons active in the swaps market, which (in each case) may affect the value of Reference Items, Reference Entities or hedging transactions and therefore may affect the value, trading price and viability of the Notes. While future regulatory or legislative activity may not necessarily have an immediate effect upon the Notes issued under the Programme, the implementation of such financial reform over time could potentially limit or completely restrict the ability of the Issuer to hedge its exposure on Notes,

increase the costs of hedging or make hedging strategies less effective, which may then constitute an adjustment event in respect of the Notes, reduce the return on the Notes and/or lead to the early redemption or early cancellation of certain Notes.

European Market Infrastructure Regulation, and similar regulatory reform in other jurisdictions

EMIR imposes certain obligations on parties to derivative contracts according to their respective status (for example, whether they are "financial counterparties", "non-financial counterparties" or third country entities equivalent to "financial counterparties" or "non-financial counterparties"). These include: (i) an obligation to clear all eligible OTC derivative contracts through a duly authorised or recognised central counterparty; (ii) an obligation to report the details of all derivative contracts to a trade repository; (iii) an obligations to post and collect eligible collateral in respect of OTC derivatives contracts which are not cleared by a central counterparty; and (iv) certain other risk-mitigation requirements in respect of OTC derivatives contracts which are not cleared by a central counterparty, including timely confirmation, portfolio reconciliation, portfolio compression, dispute resolution, and daily valuation requirements.

Similar obligations have also been introduced, or may in the future be introduced, in numerous other jurisdictions (including the U.S., Australia, Hong Kong, Singapore and South Korea).

Depending on the circumstances the above-mentioned obligations might apply to MBL where it enters into OTC derivatives contracts with a counterparty where the counterparty and/or MBL (depending on the relevant obligation) are "in-scope" of the applicable legislative or regulatory regime.

If MBL and/or any of its Affiliates are required to comply with certain obligations under EMIR or any corresponding foreign legislative or regulatory framework which may give rise to additional costs and expenses for MBL and/or any of its Affiliates: (i) MBL and/or any of its Affiliates are, in certain circumstances, able to pass on any such liabilities to holders of the relevant Notes and therefore this may result in investors receiving less than expected in respect of such Notes; (ii) in certain circumstances, the terms of the Notes may be adjusted; and/or (iii) in certain circumstances, there may be an early redemption or early cancellation of the Notes.

It should also be noted that further changes may be made to EMIR and/or any corresponding foreign legislative or regulatory framework, including in respect of counterparty classification. In this regard, the European Commission has published legislative proposals providing for certain amendments to EMIR. It is not clear when, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted and will become applicable. Any changes made to EMIR and/or any corresponding foreign legislative or regulatory framework may lead to some or all of the potentially adverse consequences outlined above.

Benchmark reforms and discontinuation

Regulation and reform of "benchmarks", including LIBOR, EURIBOR and other interest rate, equity, commodity, foreign exchange rate and other types of benchmarks

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

On 17 May 2016, the Council of the European Union adopted the EU regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (Regulation (EU) 2016/1011, the "**Benchmark Regulation**"). The Benchmark Regulation entered into force on 30 June 2016 and, subject to certain transitional provisions, has mostly applied across the EU since 1 January 2018.

The Benchmark Regulation could have a material impact on Notes linked to a benchmark rate, including in any of the following circumstances:

- a rate which is a benchmark could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the equivalence conditions, is not recognised pending such a decision and is not endorsed for such purpose. In such event, depending on the particular benchmark and the applicable terms of the Notes, the Notes could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and

- the methodology or other terms of the benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR or EURIBOR was available.

In addition to the international reform of benchmarks (both proposed and actual) described above, there are numerous other proposals, initiatives and investigations which may impact benchmarks. For example, in the United Kingdom, the national government has extended the legislation originally put in place to cover LIBOR to regulate a number of additional major UK-based financial benchmarks in the fixed income, commodity and currency markets, which could be further expanded in the future.

Any of the international, national or other proposals for reform 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 effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks.

The terms and conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any replacement service)) becomes unavailable, including the possibility that the interest rate could be set by reference to a successor rate or an alternative rate or the effective application of a fixed rate based on the rate which applied in the previous period when the published benchmark was available, which could have an adverse effect on the value or liquidity of, and return on, any Notes which reference the published benchmark. Due to the uncertainty concerning the availability of a successor rate or an alternative rate, the relevant fallback provisions may not operate as intended at the relevant time. Any changes to a benchmark or changes in the manner of administration of a benchmark could result in an adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequences in relation to the Notes linked to such benchmark. No consent of the Noteholders shall be required in connection with effecting any successor rate or alternative rate (as applicable). In addition, no consent of the Noteholders shall be required in connection with any other related adjustments and/or amendments to the terms and conditions of the Notes (or any other document) which are made in order to effect any successor rate or alternative rate (as applicable). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Investors may not be able to enforce judgments obtained in foreign courts against MBL

MBL is incorporated in Australia, most of its directors and executive officers reside in Australia and most of the assets of MBL are located within Australia. Investors may not be able to effect service of process on MBL's directors and executive officers or enforce judgments against them or MBL within Australia. There is doubt as to whether an Australian court would enforce a judgment of liability obtained outside Australia against MBL predicated solely upon the securities laws of that jurisdiction.

Market disruption event and disrupted day

If an issue of Notes includes provisions dealing with the occurrence of a market disruption event or a failure to open of an exchange or related exchange on a Valuation Date, an Averaging Date or a Pricing Date and the Calculation Agent determines that a market disruption event or such failure has occurred or exists on a Valuation Date, an Averaging Date or a Pricing Date, any consequential postponement of the Valuation Date, Averaging Date or a Pricing Date or any alternative provisions for valuation provided in any Notes may have an adverse effect on the value of such Notes.

The Issuer may make certain modifications to the Notes without the consent of the Holders

The relevant Base Conditions provide that the relevant Agent and the Issuer may, without the consent of Holders, agree to (i) any modification (subject to certain specific exceptions) of the Notes and/or the Agency Agreement which is not materially prejudicial to the interests of the Holders or (ii) any modification of the Notes and/or the Agency Agreement which is of a formal, technical or administrative nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law, rules or regulations or (iii) any modification of the Notes and/or the Agency Agreement as the Issuer may deem necessary or desirable to give effect to the provisions contained in Note Condition 4.3(b)(iii). The determination of whether any such modification is materially prejudicial to the interests of the Noteholders or, in the case of Note Condition 4.3(b)(iii), necessary or desirable, shall be made in the sole and absolute discretion of the Issuer.

Meetings of Holders

The relevant Base Conditions contains provisions for calling meetings of Noteholders 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.

Potential conflicts of interest

Neither the Issuer, the Dealer(s) (if any) nor the Calculation Agent are acting in a fiduciary capacity *vis-a-vis* the Holders nor are they providing any advice to the Holders under this Base Prospectus. As such, the general law duties that fiduciaries have to their clients do not govern the relationships between the Issuer, the Dealer(s) (if any) and the Calculation Agent on the one hand and the Holders on the other hand.

The Issuer and/or any of its Affiliates or agents may engage in activities that may result in conflicts of interests between their own financial interests and those of their respective Affiliates or agents on the one hand and the interests of the Holders on the other hand. The Issuer and/or any of its Affiliates or agents may also engage in trading activities (including hedging activities) related to the Reference Item(s) underlying any Notes and other instruments or derivative products based on or related to the Reference Item(s) underlying any Notes for their proprietary accounts or for other accounts under their management. The Issuer and/or any of its Affiliates or agents may also issue other derivative instruments in respect of the Reference Item(s) underlying Notes. Neither the Issuer,

its Affiliates, nor any of its agents are obliged to disclose any non-public information they may possess in respect of such Reference Item(s).

The Issuer and/or any of its Affiliates or agents may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Notes or may act as financial adviser to certain companies, companies whose shares are included in a basket of shares, a company which is a reference entity, or in a commercial banking capacity for any such companies. 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 also may enter into arrangements with Affiliates or agents to hedge market risks associated with its obligations under the Notes. Any such Affiliate or agent would expect to make a profit in connection with such arrangements. The Issuer is under no obligation to seek competitive bids for such arrangements from unaffiliated parties.

Where the Notes are offered to the public, potential conflicts of interest could arise, as the Dealer(s) and any distributors act pursuant to a mandate granted by the Issuer and they receive fees on the basis of the services performed and the outcome of the placement of the Notes. This risk is accentuated where the Dealer is an affiliate of the Issuer.

The Calculation Agent in respect of the Notes is MBL unless another entity is specified as Calculation Agent in the applicable Final Terms; provided that in the event that the Issuer has determined that a Benchmark Disruption Event has occurred, the Issuer may appoint another person as Calculation Agent. In its capacity as Calculation Agent, the Calculation Agent will make certain determinations and calculate amounts payable or deliverable to Holders. Under certain circumstances, the Calculation Agent as MBL or any other entity appointed by MBL as Calculation Agent and its responsibilities as Calculation Agent for the Notes could give rise to potential conflicts of interest between the Calculation Agent and the Noteholders.

In addition, MBL may, where so specified in the applicable Final Terms, act as Principal Paying Agent in respect of the Notes. In such capacity, MBL will be responsible for paying sums due on the Notes and performing certain administrative functions which could give rise to potential conflicts of interest between the Principal Paying Agent and the Noteholders.

Additional risk factors relating to additional conflicts of interest with respect to such Notes may be specified in the applicable Final Terms.

In order to receive the Entitlement in respect of Physical Delivery Notes, Holders are required to deliver notices

In order to receive the Entitlement in respect of a Physical Delivery Note, the holder of such Note must (1) duly deliver to the Clearing System and/or Paying Agents, as specified in the Final Terms, a duly completed Asset Transfer Notice on or prior to the relevant time on the Cut-Off Date and (2) pay the relevant Expenses.

In the case of Physical Delivery Notes, settlement may be delayed or made in cash if certain events arise

In the case of Physical Delivery Notes, if a Settlement Disruption Event occurs or exists on the Maturity Delivery Date, settlement will be postponed. The relevant Issuer in these circumstances also has the right to pay the Disruption Cash Settlement Price in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Notes. In addition if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, and in the opinion of the Calculation Agent it is impossible or impracticable to deliver some or all of the Relevant Assets comprising the Entitlement when due as a result of illiquidity in the market for the

Relevant Assets, the Issuer has the right to pay the Failure to Deliver Settlement Price in lieu of delivering those Relevant Assets.

Holders of Physical Delivery Notes must pay expenses relating to such Physical Delivery Notes

Holders of Physical Delivery Notes must pay all Expenses (in the case of Physical Delivery Notes) relating to such Physical Delivery Notes. As used in the Conditions, "Expenses" includes any applicable taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the redemption, exercise and settlement (as applicable) of such Notes and/or the delivery or transfer of the Entitlement pursuant to the terms of such Notes.

Holders have no claim against any Reference Item

A Note will not represent a claim or direct interest against any Reference Entity or any Reference Item and, in the event of any loss, a Holder will not have recourse under a Note to any Reference Item.

The Issuer may have the right to vary settlement

If so indicated in the applicable Final Terms, the Issuer may have an option to vary settlement in respect of the Notes. If exercised by the Issuer, this option will lead to Physical Delivery Notes being cash settled or Cash Settled Notes being physically settled. The Noteholders will be liable to pay associated costs and consequently the exercise of such option may affect the value of the Notes.

Notes subject to optional early redemption or cancellation by the Issuer

If the Issuer determines that the performance of its obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under the Notes has or will become illegal in whole or in part for any reason, the Issuer may redeem or cancel the Notes, as applicable.

In addition if, after giving effect to any applicable fallback provisions or events specified in any applicable Additional Terms and Conditions or the applicable Final Terms, the Issuer is prevented from performing its obligations to make a payment or delivery in respect of the Notes as a result of any force majeure, act of state, strike, blockade or similar circumstance or, if the Issuer determines in good faith that it has become impossible or impractical for it to perform such obligations as a result of any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls, the Issuer may redeem or cancel the Notes, as applicable.

In respect of a Series of Notes for which tax gross-up is applicable, the Issuer will have the right to redeem the Notes early in the event that it is required to gross-up payments as a result of the imposition of certain taxes.

If the Issuer redeems or cancels the Notes in the circumstances described above, then the Issuer will redeem each Note at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption (for the avoidance of doubt, less Associated Costs). This may result in the holder of the Notes receiving an amount less than the principal amount of the Notes and in certain circumstances such amount may be zero.

No Tax Gross-Up in respect of Certain Series of Notes

If the applicable Final Terms specify that tax gross-up is not applicable, the Issuer will not be obliged to gross up any payments in respect of the Notes and will not be liable for or otherwise be obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Notes and all

payments made by the Issuer will be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

Exercise of discretion by MBL

Noteholders should note that some provisions of the Base Conditions confer discretion on MBL. The manner of exercise or non-exercise of these discretions could adversely affect the value of the relevant Notes.

Credit ratings may not reflect all risks

Although the Programme is not rated, one or more independent credit rating agencies may assign credit ratings to an issue of 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 subject to suspension, cancellation, reduction or withdrawal at any time by the rating agency.

Change of Law

The Base Conditions are based on the relevant law in effect as at the date of the issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to law or administrative practice after the date of issue of the relevant Notes and any such decision or change could materially adversely impact the value of any Notes affected by it. See "*Regulatory oversight and recent developments*" on pages 159 to 172 inclusive of this Base Prospectus for further discussion on developments which may require withholding or deduction to be made by MBL from payments of amounts due in respect of Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to 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 advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

U.S. Dividend Equivalent Withholding

Section 871(m) of the U.S. Internal Revenue Code of 1986 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 Securities**"). 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 "*US Taxation – U.S. Dividend Equivalent Withholding*" on pages 209 to 210 (inclusive) of this Base Prospectus.

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

Singapore taxation risk

The Notes to be issued from time to time under the Programme, during the period from the date of this Base Prospectus to 31 December 2023, may be, pursuant to the Income Tax Act, Chapter 134 of Singapore ("**ITA**"), "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in "*Taxation – Singapore Taxation*". However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

3. Risks relating to Notes denominated in Renminbi (the "RMB Notes")

There are significant restrictions on remittance of RMB into and out of the PRC which may adversely affect the liquidity of RMB Notes

Despite significant reduction over the years by the government of the People's Republic of China ("**PRC government**") of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions (known as current account items), 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 being developed.

Although, from 1 October 2016, the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC will liberalise control over cross-border remittance of RMB in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB into or outside 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 RMB to finance its obligations under RMB Notes.

There is only limited availability of RMB outside the PRC, which may affect the liquidity of the RMB Notes and the Issuer's ability to source RMB outside the PRC to service such RMB Notes

As a result of the restrictions imposed by the PRC government on cross-border RMB fund flows, the availability of RMB outside the PRC is limited. While the PBOC has entered into agreements on the clearing of RMB business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), including and not limited to Hong Kong, and are in the process of establishing RMB clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of RMB denominated financial assets outside the PRC is limited.

Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Banks only have access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions, and are not obliged to square for participating banks any open positions as a result of other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source RMB from outside the PRC to square such open positions. As such, a RMB business participating bank may assess each RMB conversion transaction by reference to the purpose of such conversion as well as the availability of RMB outside the PRC.

Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement

arrangements will not be terminated or amended in the future which will have the effect of restricting availability of RMB outside the PRC. The limited availability of RMB outside the PRC may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source RMB outside the PRC to service the RMB Notes, there is no assurance that the Issuer will be able to source such RMB on satisfactory terms, if at all.

Investment in the RMB Notes is subject to exchange rate risks

The value of RMB against the Hong Kong dollar and other foreign currencies fluctuates from time to time 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 U.S. 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. All payments of interest and principal with respect to RMB Notes will be made in RMB unless otherwise specified. As a result, the value of these RMB payments in Hong Kong dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of RMB depreciates against the Hong Kong dollar or other foreign currencies, the value of investment in Hong Kong dollar terms or other applicable foreign currency terms will decline.

An investment in RMB Notes 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. The RMB Notes may carry a fixed interest rate. Consequently, the trading price of such RMB Notes will vary with fluctuations in interest rates. If a holder of RMB Notes tries to sell any RMB Notes before their maturity, they may receive an offer that is less than the amount invested.

Payments in respect of RMB Notes will only be made to investors in the manner specified in the terms and conditions of the relevant 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 RMB Settlement Centre(s).

All RMB payments to investors in respect of the RMB Notes will be made solely (i) for so long as the RMB Notes are represented by a Global Note held by the sub-custodian for and on behalf of the Central Moneymarkets Unit Service (the "**CMU Service**") operated by the HKMA, by transfer to a RMB bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or (ii) for so long as the RMB Notes are in definitive form, by transfer to a RMB bank account maintained in the RMB Settlement Centre(s) in accordance with prevailing rules and regulations. Other than described in the Conditions, the Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

For the purposes of this section, "**RMB Settlement Centre(s)**" means the financial centre(s) specified as such in the applicable Final Terms in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the relevant Final Terms, the RMB Settlement Centre shall be deemed to be Hong Kong.

4. Additional risks related to Notes and the market for Notes

Risks related to the structure of a particular issue of Notes

A range of different Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. The risks of a particular Note will depend on the terms of such Note, but may include, without limitation, the possibility of significant changes in the values of the applicable interest rates or other indices or formulae. Investors in Notes could lose all or a substantial portion of their investment.

Such risks generally depend on factors over which MBL has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the relevant underlying or reference securities, assets or other property. Neither the current nor the historical price, value or performance of (i) the relevant interest rates or other indices or formulae, (ii) the relevant classes of securities, assets or other property, or (iii) the relevant entities should be taken as an indication of future price, value or performance during the term of any Note.

In addition, certain issues of Notes may not be an appropriate investment for investors who are inexperienced with respect to:

(i) the applicable interest rate indices, currencies, other indices or formulas, or redemption or other rights or options; or

(ii) investments where the amount of principal and/or interest payable (if any) is based on the price, value, performance or some other factor and/or the creditworthiness of one or more entities.

Issue price and optional redemption risks

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also 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. Potential investors should consider reinvestment risk in light of other investments available at that time.

Failure by an investor to pay instalments in respect of partly-paid Notes may result in the investor losing all of his investment

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the relevant specified currency ("**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) or 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 (i) the Investor's Currency-equivalent yield on the Notes,

(ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) 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 payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Investors will also incur conversion cost (being the buy or sell spread) when they convert between their local currency and the Specified Currency. In addition, events may occur that from a legal or practical perspective make it impossible or not reasonably practicable to convert one currency into another currency, as may be required in order to make a determination or payment in respect of the Notes. The occurrence of such inconvertibility events may result in payment under the Notes being delayed and/or an investor receiving payment in a currency other than the Specified Currency.

Interest rate risks

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.

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for interest-bearing securities issued at par value. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to interest-bearing securities issued at par value with comparable maturities.

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices.

5. Additional risks related to Index Linked Notes

General risks relating to Index Linked Notes

The Issuer may issue Index Linked Notes where the Final Redemption Amount or interest or other interim amounts payable is dependent upon the level of an index or basket of indices. The index or basket of indices may be comprised of reference equities, bonds, other securities, property, currency exchange rate or other assets or bases of reference, and may be a well-known and widely published index or basket of indices or an index or basket of indices established by the Group or another entity which may not be widely published or available. An investment in Index Linked Notes will entail significant risks not associated with a conventional fixed rate or floating rate debt security.

Returns on the Index Linked Notes may not reflect direct investment in underlying shares or other assets comprising the index

The return payable on Index Linked Notes may not reflect the return a purchaser would realise if he or she actually owned the relevant assets comprising the components of the index. For example, if the components of the indices are shares, Holders will not receive any dividends paid on those shares and will not participate in the return on those dividends unless the relevant index takes such dividends into account for purposes of calculating the relevant level. Similarly, Holders will not have any voting rights in the underlying shares or any other assets which may comprise the components of the relevant index. Accordingly, purchasers of Index Linked Notes may receive a lower payment upon redemption/settlement of such Index Linked Notes than such purchaser would have received if he or she had invested in the components of the index directly.

A change in the composition or discontinuance of an index could adversely affect the market value of the Index Linked Notes

The sponsor of any index can add, delete or substitute the components of such index or make other methodological changes that could change the level of one or more components. The changing of components of any index may affect the level of such index as a newly added component may perform significantly worse or better than the company it replaces, which in turn may affect the amounts payable by the Issuer to the purchasers of the relevant Index Linked Notes. The sponsor of any such index may also alter, discontinue or suspend calculation or dissemination of such index. The sponsor of an index will have no involvement in the offer and sale of the relevant Index Linked Notes and will have no obligation to any purchaser of such Index Linked Notes. The sponsor of an index may take any actions in respect of such index without regard to the interests of the purchasers of the relevant Index Linked Notes, and any of these actions could adversely affect the market value of the relevant Index Linked Notes. The Issuer shall have no liability to the Holders for any act or failure to act by the sponsor in connection with the calculation, adjustment or maintenance of the index.

Holders of Index Linked Notes may be adversely affected by an Index Modification, Index Cancellation, Index Disruption and correction of index levels

The Calculation Agent has broad discretion to make certain determinations and adjustments, to replace the original Index with another and/or to cause early redemption/settlement of the Index, any of which may be adverse to Holders in connection with Index Modification, Index Cancellation, and Index Disruption. The Calculation Agent may determine that the consequence of any such event is to make adjustments to the Index Linked Notes, or to replace such index with another or to cause early redemption/settlement of the Index Linked Notes. The Calculation Agent may (subject to the terms and conditions of the relevant Index Linked Notes) also amend the relevant index level due to corrections in the level reported by the index sponsor. Such determinations may have an adverse effect on the timing of valuation and consequently the value of the Notes.

6. Additional risks related to FX Linked Notes

General risks relating to FX Linked Notes

The Issuer may issue FX Linked Notes where the Final Redemption Amount or interest or other interim amounts payable are dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the FX Linked Notes are denominated. Accordingly, an investment in FX Linked Notes may bear similar market risks to a direct foreign exchange investment and investors should take advice accordingly. An investment in FX Linked Notes will entail significant risks not associated with a conventional debt security.

Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the FX Linked Notes

The foreign exchange rate(s) to which FX Linked Notes are linked will affect the nature and value of the investment return on the FX Linked Notes. The performance of foreign exchange rates is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or

revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency.

Currencies of emerging markets jurisdictions pose particular risks

FX Linked Notes linked to emerging market currencies may experience greater volatility and less certainty as to its future levels or as against other currencies. Emerging market currencies are more likely to be the subject of events that disrupt a particular market for a currency. Disruption Events that may apply to FX Linked Notes are set out in Annex 2 of the Terms and Conditions – *Additional Terms and Conditions for FX Linked Notes*.

7. Additional risks related to Commodity Linked Notes

General risks relating to Commodity Linked Notes

The Issuer may issue Commodity Linked Notes where the Final Redemption Amount or interest or other interim amounts payable are dependent upon the price or changes in the price of commodities, basket of commodities, a commodity index or basket of commodity indices or where, depending on the price or change in the price of the commodities, basket of commodities, commodity index or basket of commodity indices, the relevant Issuer has an obligation to deliver specified assets.

Accordingly, an investment in Commodity Linked Notes may bear similar market risks to a direct commodity investment and investors should take advice accordingly. An investment in Commodity Linked Notes will entail significant risks not associated with a conventional debt security.

Factors affecting the performance of commodities may adversely affect the value of the Commodity Linked Notes; commodity prices may be more volatile than other asset classes

Trading in commodities is speculative and may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable including, for example, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes, changes in interest and exchange rates and changes and suspensions or disruptions of market trading activities in commodities and related contracts. Commodity prices may be more volatile than other asset classes, making investments in commodities riskier than other investments.

Commodities may reference physical commodities or commodity contracts, and certain commodity contracts may be traded on unregulated or "under regulated" exchanges

Commodities include both (i) "physical" commodities, which need to be stored and transported, and which are generally traded at a "spot" price, and (ii) commodity contracts, which are agreements either to (a) buy or sell a set amount of an underlying physical commodity at a predetermined price and delivery period (which may be referred to as a delivery month), or (b) make and receive a cash payment based on changes in the price of the underlying physical commodity.

Commodity contracts may be traded on regulated specialised futures exchanges (such as futures contracts). Commodity contracts may also be traded directly between market participants "over-the-counter" on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. Accordingly, trading in such "over-the-counter" contracts may not be subject to the same provisions of, and the protections afforded to, contracts traded on regulated specialised futures exchanges, and there may therefore be additional risks related to the liquidity and price histories of the relevant contracts.

Commodity Linked Notes which are linked to a commodity futures contract may provide a different return than Commodity Linked Notes linked to the relevant physical commodity

The price of a futures contract on a commodity will generally be at a premium or at a discount to the spot price of the underlying commodity. This discrepancy is due to such factors as (i) the need to adjust the spot price due to related expenses (e.g., warehousing, transport and insurance costs) and (ii) different methods being used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets. Accordingly, Commodity Linked Notes which are linked to commodity futures contracts may provide a different return than Commodity Linked Notes linked to the relevant physical commodity.

Commodity Linked Notes which are exposed to the market for carbon emissions trading may contain additional risks

Commodity Linked Notes which reference a Commodity or Basket of Commodities relating to the carbon emissions trading market may carry additional risks. Trading in carbon emissions is a developing market and is highly speculative and volatile. The carbon emissions trading market has been and may again be subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. In addition, in respect of the emissions trading market in Europe, EU Allowances ("**EUAs**") have been allegedly stolen or "phished" from the national registries of several European countries and from the carbon trading accounts of market participants. This has caused severe market disruption in the European carbon trading market with delivery of EUAs suspended for significant periods. Such market disruption would have a detrimental impact on the value or settlement of Commodity Linked Notes exposed to the European carbon trading market.

8. Additional risks related to Fund Linked Notes

The Issuer may issue Fund Linked Notes where the Final Redemption Amount or interest or other interim amounts payable are dependent upon the price or changes in the price of fund share(s) or unit(s) or where, depending on the price or changes in the price of fund share(s) or unit(s), the relevant Issuer has an obligation to deliver specified assets. Accordingly, an investment in Fund Linked Notes may bear similar market risks to a direct fund investment and investors should take advice accordingly. An investment in Fund Linked Notes will entail significant risks not associated with a conventional debt security.

The price of unit(s) or fund share(s) may be affected by the performance of the fund service providers, and in particular the investment adviser.

Investors should be aware that the following specific risks may apply to certain funds, especially those funds which are described as "hedge funds".

Funds may be subject to transfer restrictions and illiquidity

Funds and the assets thereof may be subject to transfer restrictions arising by way of applicable securities laws or otherwise. Such restrictions may mean that purchasers of the Fund Linked Notes are not entitled to acquire interests in the funds directly. Fundholders may have the right to transfer or withdraw their investment in the funds only at certain times and upon completion of certain documentary formalities and such rights may be subject to suspension or alteration. These circumstances may affect the net asset value of the funds in question. Prospective investors should familiarise themselves with the features of the funds in this regard.

Fund valuations may be uncertain

The valuation of funds is generally controlled by the management company of the fund. Valuations are performed in accordance with the terms and conditions governing the fund. Such valuations may be based upon the unaudited financial records of the fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the fund and accounts. The fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable net asset values may be difficult to obtain. In consequence, the management company may vary certain quotations for such investments held by the fund in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustment upward or downward. Uncertainties as to the valuation of fund assets and/or accounts may have an adverse effect on the net asset value of the fund where such judgements regarding valuations prove to be incorrect, and this in turn can have an adverse effect on the value of the related Fund Linked Notes.

The performance of a fund will be affected by charges incurred in trading

The performance of a fund will be affected by the charges incurred thereby relating to the investments of such fund. The fund may engage in short-term trading which may result in increased turnover and associated higher than normal brokerage commissions and other expenses.

The Issuer, the Dealer(s) (if any) and the Calculation Agent have no duty to disclose any information with respect to any underlying fund

The Issuer, the Dealer(s) (if any), the Calculation Agent or any of their respective Affiliates may have acquired, or during the term of the Notes may acquire, non-public information with respect to an underlying fund that they may not disclose.

None of the Issuer, the Dealer(s) (if any), the Calculation Agent, any of their respective Affiliates or any of their respective directors, employees or agents is under any obligation (i) to assess on the Noteholders' behalf, the likely performance of an underlying fund or conduct any investigation or due diligence in respect of the issuer or, where applicable, manager of an underlying fund or (ii) other than as may be required by applicable rules and regulations relating to the Fund Linked Notes, to make available any public or non-public information they may possess in respect of an underlying fund.

Prospective investors must therefore make an investment decision based upon their own due diligence and should purchase the Fund Linked Notes on the basis of their own assessment of the likely performance of the underlying funds (or basket of underlying funds) in the knowledge that non-public information which the Issuer, the Dealer(s) (if any), the Calculation Agent or any of their respective Affiliates may have will not be disclosed to investors.

Legal and regulatory changes may be adverse to a fund

Future changes to applicable law or regulation may be adverse to a fund and consequently the related Fund Linked Notes.

There are investment risks pertaining to funds

All investments risk the loss of capital and/or the diminution of investment returns. A fund may utilise (*inter alia*) strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realisable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses.

A fund may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated.

No assurance can be given relating to the present or future performance of a fund. The performance of a fund is dependent in large part on the performance and strategy of the management company thereof. Certain management companies may utilise analytical models upon which investment decisions are based. No assurance can be given that these persons will succeed in meeting the investment objectives of the fund, that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which the funds have invested or will invest will prove accurate.

A fund may be subject to Fund Events

If certain events specified as Extraordinary Events occur, the Calculation Agent may replace the fund with other funds and thereafter the amount payable in respect of the relevant Fund Linked Notes will depend on and be calculated by reference to the performance of an alternative asset. This may have a considerable impact on the value and the amount payable in respect of the relevant Fund Linked Notes. Alternatively, any determination dates and payment dates may be changed by the Calculation Agent, or the amount paid per Note may be based on the only cash amounts that an investor in the fund actually received, which might be as low as zero.

Risk from composition and changes to a fund

The management company can, without regard to the interests of the investors in the Fund Linked Notes, add, delete or substitute any funds by reference to which the value of a fund is calculated or make other methodological changes that could change the investment profile of a fund. The management company may also determine to discontinue a fund. If a fund is discontinued, it may be replaced by other assets and/or the relevant Fund Linked Notes may be redeemed or exercised early.

In the event that a fund is materially modified or permanently cancelled or the management company fails to calculate or announce the net asset value of a fund, the Calculation Agent will either make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions of the relevant Fund Linked Notes as the Calculation Agent determines appropriate to account for the effect on the Fund Linked Notes of such events, or may redeem or exercise the Fund Linked Notes early. Any of these decisions or determinations may adversely impact the value of the Fund Linked Notes.

The net asset value of a fund can be affected by exchange rates and exchange controls

The net asset value of a fund could be adversely affected not only by hedging costs and changes in exchange rates, but also by local exchange control regulations and other limitations, including currency exchange limitations and political and economic developments in the relevant countries.

Funds are subject to market risks

The markets in which a fund invests may prove to be highly volatile from time to time as a result of, for example, sudden changes in government policies on taxation and currency repatriation or changes in legislation relating to the value of foreign ownership in companies, and this may affect the net asset value at which a fund may liquidate positions to meet repurchase requests or other funding requirements.

Hedging techniques employed by funds are subject to limitations

A fund may in certain cases employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available

and when available, will not always be effective in limiting losses. A fund may take substantial unhedged positions.

Fluctuations in interest rates can expose a fund to losses

The values of securities held by a fund (or by any underlying fund) tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding net asset values of a fund's positions to move in directions which were not initially anticipated.

To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose a fund to losses.

The absence of regulatory oversight of a fund may adversely affect the performance of a fund

A fund will generally not be regulated under the laws of any country or jurisdiction. As a result, certain protections of such laws (which, among other things, may require investment companies to have disinterested directors, require securities to be held in custody and segregated, regulate the relationship between the investment company and its adviser and mandate investor approval before fundamental investment policies may be changed) do not apply to a fund. This absence of regulation may adversely affect the performance of a fund.

A suspension of trading may make it impossible for a fund to liquidate positions

A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for a fund to liquidate positions and thereby expose the value of a fund to losses.

The lack of liquidity in certain markets may be a disadvantage for a fund

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and other financial instruments have limited liquidity and depth. This could be a disadvantage to a fund, both in the realisation of quoted prices and in the execution of orders at desired prices, resulting in a decline in the value of a fund.

The loss of key individuals could have an adverse effect on the performance of a fund

The success of a fund is dependent on the expertise of its managers. The loss of one or more key individuals could have a material adverse effect on the ability of a fund manager to direct a fund's portfolio, resulting in losses for a fund and a decline in the value of a fund and consequently the related Fund Linked Notes. Indeed, certain fund managers may have only one principal, without whom the relevant fund manager could not continue to operate.

Funds managed by inexperienced investment managers may be a riskier investment than funds with more experienced fund managers

Certain funds may be managed by investment managers who have managed hedge funds for a relatively short period of time. The previous experience of such investment managers is typically in trading proprietary accounts of financial institutions or managing unhedged accounts of institutional asset managers or other investment firms. Because such investment managers do not have direct experience in managing funds or hedge funds, including experience with financial, legal or regulatory considerations unique to fund management, and there is generally less information available on which to base an opinion of such managers' investment and management expertise, investments with such investment managers may be subject to greater risk and uncertainty than

investments with more experienced fund managers. This means corresponding Fund Linked Notes will also be riskier.

There is a risk that a fund manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct

There is a risk that a fund manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct. This can have an adverse effect on the related Fund Linked Notes.

The performance-based compensation paid to a fund manager is typically calculated on a basis that includes unrealised appreciation and may consequently be greater than if such compensation were based solely on realised gains

The performance-based compensation paid to a fund manager is typically calculated on a basis that includes unrealised appreciation and may consequently be greater than if such compensation were based solely on realised gains.

Each fund generally calculates its own performance compensation based on its individual performance, irrespective of increases in the overall value of the fund. Furthermore, when the fund is rebalanced and an unprofitable underlying asset is removed, the loss carried forward by such fund's trading is eliminated for purposes of calculating subsequent performance compensation due to the fund manager of any replacement underlying asset. Thus, there may be substantial incentive compensation due to the relevant fund manager even during a period when the portfolio of assets is incurring significant losses. This in turn can affect the value of the fund, and consequently the value of the related Fund Linked Notes.

Funds may be exposed to the risk of concentrating their investments in a single company or industry

Because many hedge funds have the authority to concentrate their investments in securities of a single issuer or industry, the overall adverse impact on one or more components of the fund, and correspondingly on the value of the fund (and consequently the value of the applicable Fund Linked Notes), of adverse movements in the value of such securities could be considerably greater than if the fund were not permitted to concentrate their investments. Moreover, a number of hedge funds included as components in a fund might accumulate substantial positions in the same or related instruments at the same time. Because information regarding the actual investments made by such funds is not generally available, the management company will be unable to identify any such accumulations, which could expose the relevant fund to the risk of sudden and severe declines.

Funds are often highly leveraged, exposing them to the risk of large losses

A fund may borrow without limitation and typically utilises various lines of credit and other forms of leverage. In addition, certain of a fund's investment strategies (primarily those utilising derivative instruments) may involve indirect forms of leverage. While leverage presents opportunities for increasing a fund's total return, it increases the potential risk of loss as well. Any event which adversely affects the value of an investment by a fund is magnified to the extent that such investment is leveraged, with corresponding effects on the value of the related Fund Linked Notes. Leverage can have a similar effect on issuers in which a fund invests. The use of leverage by a fund could result in substantial losses which would be greater than if leverage had not been used. A fund's assets may be further leveraged or hedged by the use of derivatives. In addition, investments of a fund may include investments in partnerships and other pooled investment vehicles, which themselves employ leverage to a significant extent. Such investments are subject to the same leverage risks as described above and a fund could lose its entire investment.

As a general matter, the banks and dealers that provide financing to a fund can apply essentially discretionary margin, haircut, financing and security and collateral valuation policies. Changes by banks and dealers in these policies may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous net asset values, thereby adversely affecting the value of related Fund Linked Notes.

Funds may be exposed to non-creditable taxes

As funds may be resident in jurisdictions which have not entered into any double taxation conventions with other countries, income of such funds may be subject to withholding taxes in the countries of source of that income. As such funds may not be subject to income taxation in their countries of residence, these withholding taxes will be an expense of the fund resulting in a reduction in the net income of the fund and may have a negative impact on the performance of the fund.

It may not always be clear whether a fund fulfils its investment criteria

It may be difficult to specify precisely or comprehensively the strategies of a fund. As a result, it may not sometimes be clear whether or not a fund fulfils the investment criteria set out in its offering document.

Certain funds may invest primarily in equities, which are perceived as more risky than investments in debt securities

The investment orientation of a fund may be based to a significant extent on equity investments. Investment in equity securities to aggressively seek capital appreciation is speculative and is generally perceived to encompass greater risks than those involved in connection with an investment in debt securities of comparable issuers. Investors in related Fund Linked Notes should have regard to the investment orientation of the underlying fund and be comfortable that they can bear the risk of a significant decline in the value of the fund.

Funds which invest in fixed income securities are exposed to the risk of default by the issuers of such securities

A fund may invest in fixed income securities and, therefore, may be exposed to the risk of default by the issuers of such securities. Such default may result in delays in payment, or non-payment of interest or principal when due, thereby adversely affecting amounts due on the related Fund Linked Notes. Furthermore, the net asset value of fixed income securities may also fluctuate with changes in prevailing interest rates and/or in the creditworthiness of the issuer, and these fluctuations may result in a loss of capital by a fund.

Some funds may invest in other collective investment schemes which may afford the investor less transparency in respect of the ultimate assets of the scheme

Some funds may invest in other collective investment schemes. Investment in schemes of this type may afford the investor less transparency in respect of the ultimate assets of the scheme.

Large subscriptions and redemptions may result in the liquidation or dilution of fund assets that may affect the net asset value of such fund

Large subscriptions and redemptions may result in the liquidation or dilution of fund assets that may affect the net asset value of such fund and, consequently, the value of related Fund Linked Notes.

Funds which invest in emerging markets may be subject to increased risk

A fund may invest in securities of governments of, or companies domiciled in, less-developed or emerging markets. This involves additional considerations including: political and economic considerations, such as greater risks of expropriation, nationalisation and general social, political and economic instability; potential lack of liquidity and net asset value volatility; fluctuations in the rate of exchange between currencies and possible currency exchange controls; and government policies that may restrict investment opportunities and difficulties that may arise in connection with the clearance and settlement of trades. Investments in Fund Linked Notes related to such funds are therefore more risky.

Accounting and financial reporting standards in such countries may not be equivalent to standards in more developed countries and less information may be available to investors in companies located in these countries than is available to investors in more developed countries. Custody arrangements in such countries may also present enhanced risk. Related Fund Linked Notes will be correspondingly affected.

The use of repurchase agreements may expose the fund to losses

A fund may use repurchase agreements. Under a repurchase agreement, a security is sold to a buyer and at the same time the seller of the security agrees to buy back the security at a later date at a higher net asset value. In the event of a bankruptcy or other default of the transferor of securities in a repurchase agreement, a fund could experience delays in liquidating the underlying securities and losses, including possible declines in the value of the collateral during the period while it seeks to enforce its rights thereto; possible subnormal levels of income and lack of access to income during this period and the expenses of enforcing its rights. In the case of a default by the transferee of securities in a repurchase agreement, the management company bears the risk that the transferee may not deliver the securities when required. Related Fund Linked Notes will be correspondingly affected.

A fund may engage in exchange rate speculation which may expose the fund to losses

A fund may engage in exchange rate speculation. Foreign exchange rates have been highly volatile in recent years. The combination of volatility and leverage gives rise to the possibility of large profit but also carries a high risk of loss. In addition, there is counterparty credit risk since foreign exchange trading is done on a principal to principal basis. Related Fund Linked Notes will be correspondingly affected.

Funds which invest in commodity futures are subject to risks as such futures can be highly risky

Commodity futures prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.

Funds which invest in derivatives may be exposed to increased risks

A fund may use derivative instruments, such as credit default swaps, stripped mortgage-backed securities, options and other swaps. There are uncertainties as to how the derivatives market will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. Substantial risks are also involved in borrowing and lending against such instruments. The prices of these instruments are volatile, market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the positions held by a fund, thereby causing substantial losses to the fund, and consequently also the

related Fund Linked Notes. Most of these instruments are not traded on exchanges but rather through an informal network of banks and dealers. These banks and dealers have no obligation to make markets in these instruments and may apply essentially discretionary margin and credit requirements (and thus, in effect, force a fund to close out its relevant positions). In addition, such instruments carry the additional risk of failure to perform by the counterparty to the transaction. Government policies, especially those of the U.S. Federal Reserve Board and non-U.S. central banks, have profound effects on interest and exchange rates which, in turn, affect prices of derivative instruments. Many other unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations. Investors in Fund Linked Notes need to be able to understand the potential impact of such events on their investment.

A fund may sell securities short which exposes a fund to theoretically unlimited risk due to the lack of an upper limit on the price to which a security may rise

A fund may sell securities short. Short selling exposes a fund to theoretically unlimited risk due to the lack of an upper limit on the price to which a security may rise. Short selling involves the sale of borrowed stock. If a stock loan is called, the short seller may be forced to repurchase the stock at a loss. In addition, some traders may attempt to profit by forcing short sellers to incur a loss. Traders may make large purchases of a stock that has been sold short. The large purchases are intended to drive up the stock price, and cause the short sellers to incur losses. By doing this, the traders' hope the short sellers will limit their losses by repurchasing the stock and force the stock price even higher. Investors need to fully understand such strategies and the impact they can have on the related Fund Linked Notes.

Substantial losses may be incurred on "hedge" or "arbitrage" positions, and illiquidity and default on one side of a position may effectively result in the position being transformed into an outright speculation

The use of arbitrage strategies by a fund in no respect should be taken to imply that such strategies are without risk. Substantial losses may be incurred on "hedge" or "arbitrage" positions, and illiquidity and default on one side of a position may effectively result in the position being transformed into an outright speculation. Every arbitrage strategy involves exposure to some second order risk of the market, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds or the net asset value spread between different classes of stock for the same underlying firm.

Further, there are few examples of "pure" arbitrage funds. Most funds also employ limited directional strategies which expose them to market risk. Investors need to fully understand such strategies and the impact they can have on the related Fund Linked Notes.

A fund may make investments which are subject to legal or other restrictions on transfer or for which no liquid market exists

A fund may make investments which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market net asset values, if any, of such investments tend to be more volatile and a fund may not be able to sell them when it desires to do so or to realise what it perceives to be their fair value in the event of a sale. Moreover, securities in which a fund may invest include those that are not listed on a stock exchange or traded on an over-the-counter market. As a result of the absence of a public trading market for these securities, they may be less liquid than publicly traded securities. A fund may encounter substantial delays in attempting to sell non-publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by a fund. Further, companies whose securities are not publicly traded are not subject to the disclosure and other

investor protection requirements which would be applicable if their securities were publicly traded. Investors in related Fund Linked Notes need to be capable of understanding the impact of these restrictions and events on the value of their investment.

Funds are exposed to the credit risk of counterparties with which they trade

Many of the markets in which a fund effects its transactions are "over-the-counter" or "inter-dealer" markets. The participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. Although subject to change in the future, to the extent that a fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, such fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterised by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Although this may change due to the impact of proposed regulation, transactions entered into directly between two counterparties generally do not benefit from these protections, which in turn may subject a fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The ability of a fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses for investors in Fund Linked Notes.

A fund which takes a controlling stake in a company may become exposed to the liabilities of that company

A fund may take controlling stakes in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise and other types of related liability. Investors in related Fund Linked Notes need to be capable of understanding and analysing the impact of such an event on their investment.

As the shares of certain funds may only be redeemable on certain dates, there is a risk of delays or defaults in payment

The shares of a fund may only be redeemable on certain redemption dates, subject to the prescribed notice period in respect of such fund. This gives rise to a time delay between the execution of an order for redemption and payment of the proceeds on such redemption. If the fund becomes insolvent following the date on which a redemption order would have to be notionally placed or the Calculation Agent determines that the relevant fund would fail to pay to any shareholder in cash the full redemption proceeds owing to them if they redeemed their shares on the relevant date, an adjustment may be made by the Calculation Agent when calculating the return on the Fund Linked Notes to the net asset value per share of the relevant fund, thereby reducing the return on the Fund Linked Notes.

The market price of Fund Linked Notes may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of fund share(s) or unit(s). The price of fund share(s) or unit(s) 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.

9. Additional risks related to Credit Linked Notes

General risks relating to Credit Linked Notes

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

Prospective investors in such Credit Linked 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) the payment of the redemption amount or interest or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

The market price of Credit Linked Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date or settlement date, as applicable, prevailing credit spreads and the creditworthiness of the Reference Entity/Entities which in turn may be affected by the economic, financial and political events in one or more jurisdictions. Risks relating to Credit Linked Notes may be correlated or compounded and such correlation and/or compounding may result in increased volatility in the value of such Credit Linked Notes and/or in increased losses for holders of such Credit Linked Notes.

Actions of Reference Entities (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of any Credit Linked Notes. The views of market participants and/or legal counsel may differ as to how the terms of market standard credit default swaps, and the corresponding terms of any Credit Linked Notes, should be interpreted in the context of such actions, or such terms may operate in a manner contrary to the expectations of market participants and/or adversely to the interests of holders of any Credit Linked Notes. Holders of any Credit Linked Notes should be aware that the Reference Entities to which the value of such Notes are exposed, and the terms of such exposure, may change over the term of such Credit Linked Notes. Reference Entities may not be subject to regular reporting requirements under UK securities laws and may report information in accordance with different disclosure and accounting standards. Consequently, the information available for such Reference Entities may be different from, and in some cases less than, the information available for entities that are subject to the reporting requirements under the securities laws applicable to the relevant Credit Linked Notes and/or the Issuer. None of the Issuers, the Calculation Agent or any of their respective affiliates make any representation as to the accuracy or completeness of any information available with respect to the Reference Entities.

Holders may be affected by Credit Events that occur before the Issue Date

Holders of Credit Linked Notes may suffer a loss of some or all of their investment if one or more Credit Events occur on or after the Credit Event Backstop Date (which may fall prior to the Issue Date). Neither the Calculation Agent, the Issuer nor any of their respective affiliates has any responsibility to avoid or mitigate the effects of a Credit Event that has taken place prior to the Issue Date of the relevant Credit Linked Notes.

The Issuer, the Dealer(s) (if any) and the Calculation Agent have no duty to disclose any information with respect to any Reference Entity

The relevant Issuer, the Dealer(s) (if any), the Calculation Agent or any of their respective Affiliates may have acquired, or during the term of the Credit Linked Notes may acquire, non-public information with respect to the Reference Entity/Entities that they may not disclose.

None of the Issuer, the Dealer(s) (if any), the Calculation Agent or any of their respective Affiliates is under any obligation (i) to review on the Holders' behalf, the business, financial conditions, prospects, creditworthiness, status or affairs of the Reference Entity/Entities or conduct any investigation or due diligence into the Reference Entity/Entities or (ii) other than as may be required by applicable rules and regulations relating to the Credit Linked Notes to make available (a) any information relating to the Notes or (b) any non-public information they may possess in respect of the Reference Entity/Entities.

Prospective investors must therefore make an investment decision based upon their own due diligence and purchase the Credit Linked Notes in the knowledge that non-public information which the Issuer, the Dealer(s) (if any), the Calculation Agent or any of their respective Affiliates may have will not be disclosed to investors.

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

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.

Risks relating to Physical Settlement

Where the Credit Linked Notes provide for "Physical Settlement", or a Fallback Settlement Event has occurred and the Fallback Settlement Method is "Physical Settlement", the Issuer may determine that the specified assets to be delivered are either (a) assets which (i) for any reason (including, without limitation, failure of the relevant clearing system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date or (ii) it is impracticable to Deliver on the specified settlement date because (1) the relevant Holder(s) has not taken any action that is deemed necessary by the Calculation Agent to enable such Delivery or (2) the Holder(s) has failed to provide know-your-customer information sign and deliver relevant transfer documentation and/or confidentiality agreement, pay a fee to the agent to effect the transfer and/or provide any other information or documentation or make any other payment (including taxes) specified under the terms of the relevant specified asset or as is customary to provide in respect of such specified asset or (b) assets which the Issuer and/or any Affiliate and/or agent has not received under the terms of any transaction and/ or trading position entered into by the Issuer and/or such Affiliate and/or agent to hedge the Issuer's obligations in respect of the Credit Linked Notes.

Any such determination may delay settlement in respect of the Credit Linked 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 Credit Linked Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Credit Linked Notes and as a result, the amount payable on redemption or settlement (as applicable).

Prospective investors should review the relevant Conditions and the applicable Final Terms to ascertain whether and how such provisions should apply to the Credit Linked Notes.

In the case of Physical Settlement, where the Reference Obligation is a loan, in order for the Delivery of the loan (or an interest in the loan) to be effected, the Reference Obligation must be capable of being transferred to the Holder in accordance with its terms and the Holders must have the capacity to hold such loan (or loan interest).

Risks relating to Cash Settlement

Where the Credit Linked Notes provide for "Cash Settlement", or a Fallback Settlement Event has occurred and the Fallback Settlement Method is "Cash Settlement", then, following the occurrence of a Credit Event, the Calculation Agent will be required to seek quotations in respect of selected obligations of the affected Reference Entity. Such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the affected Reference Entity (for example, liquidity constraints affecting market dealers). Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation which would be determined by reference to (for example) the present value of related cashflows. Quotations may be deemed to be zero in the event that no such quotations are available.

If the Issuer has discretion to choose the portfolio of obligations to be valued or delivered following a Credit Event in respect of a Reference Entity, it is likely that the portfolio of obligations selected will be obligations of the Reference Entity with the lowest market value that are permitted to be selected pursuant to the terms of any relevant Credit Linked Notes. This could result in a lower recovery value and hence greater losses for investors in such Credit Linked Notes.

Risks relating to Auction Settlement

Where the Credit Linked Notes provide for "Auction Settlement", and a Credit Derivatives Determinations Committee publishes auction settlement terms in respect of a Reference Entity (and the relevant seniority of the Reference Obligation), then the Calculation Agent will determine the Auction Settlement Amount in accordance with such auction settlement terms. The losses determined pursuant to a market auction process may be greater than the losses which would have been determined in the absence of the auction. In particular, the auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a relevant third party. Neither the Calculation Agent, the Issuer nor any of its Affiliates has any responsibility for verifying that any auction price is reflective of current market values for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. If the Dealer (if any), the Calculation Agent, the Issuer or any of their respective Affiliates participates in any auction for the purposes of such an auction, then it will do so without regard to the interests of the holders of the Credit Linked Notes. Such participation may have a material effect on the outcome of the relevant auction. Where the terms of any Credit Linked Notes state "Restructuring Maturity Limitation Date and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation Date and Conditionally Transferable Obligation Applicable" and the relevant Credit Event is a Restructuring, several concurrent but separate Actions may occur with respect to such Reference Entity and such Credit Event. In certain circumstances, the Issuer may apply specific Parallel Auction Settlement Terms notifying Holders of the relevant Credit Linked Notes. The Auction Final Price may be based on one or more obligations of the Reference Entity having a final maturity date different from the Restructured Bond or Loan and this may affect the Auction Settlement Amount determined in respect of the relevant Credit Linked Notes.

Unwind costs may be deducted from the amounts payable to holders of Credit Linked Notes

Investors should note that amounts paid or delivered in respect of any Credit Linked Notes may take into account Unwind Costs which are determined by the Calculation Agent to be equal to all costs, expenses, taxes and duties, incurred by the Issuer and/or any of its Affiliates and/or agents in connection with the redemption or cancellation of the relevant Credit Linked Notes and the related termination, settlement or re-establishment of any hedge or related trading position. These amounts are not capable of being ascertained, or known, by a Holder before being determined, and may be significant.

The determination of the Calculation Agent is binding on holders

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 shall (in the absence of manifest error) be final and binding on the Issuer and the Holders. In performing its duties pursuant to the Credit Linked Notes, the Calculation Agent shall act in its sole and absolute discretion. In making any determinations expressed to be made by it, for example as to substitute Reference Obligations or Successors, the Calculation Agent is under no obligation to consider the interests of the Issuer or the Holders. If the Final Terms specify that "Calculation Agent Determination" is applicable, the Issuer and the Calculation Agent may, but will not be required to apply any DC Resolution to any Credit Linked Notes unless the Calculation Agent notifies the Issuer that any DC Resolution to shall apply to such Credit Linked Notes.

Holders should note that the Calculation Agent may modify the terms of any Credit Linked Notes without the consent of the Holders of such Credit Linked Notes to the extent necessary (as determined by the Calculation Agent and the relevant Issuer acting in a commercially reasonable manner) to incorporate and/or reflect further or alternative documents or to reflect market standard terms or market trading conventions for credit derivatives, transactions and/or where applicable, to account for any DC Resolution.

Risks relating to the Credit Derivatives Determinations Committee

The institutions represented on the Credit Derivatives Determinations Committee (which may include the Issuer or one of its Affiliates) owe no duty to the holders of Credit Linked Notes and have the ability to make determinations that may materially affect the holders of Credit Linked Notes. The Credit Derivatives Determinations Committee will be able to make determinations without action or knowledge of the holders of Credit Linked Notes.

Holders of Credit Linked Notes will have no role in the composition of the Credit Derivatives Determinations Committee. Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on the Credit Derivatives Determinations Committee and the holders of Credit Linked Notes will have no role in establishing such criteria. In addition, the composition of the Credit Derivatives Determinations Committee will change from time to time in accordance with the Rules, as the term of an institution may expire or an institution may be required to be replaced. To the extent applicable, the Credit Linked Notes will be subject to the determinations made by such selected institutions in accordance with the Rules.

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

Holders of Credit Linked Notes should also be aware that institutions serving on the Credit Derivatives Determinations Committee have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committee is not obligated to follow previous determinations and, therefore, could reach a conflicting determination on a similar set of facts. If the Issuer or the Calculation Agent or any of their respective Affiliates serve as a member of the Credit Derivatives Determinations Committee at any time, then they will act without regard to the interests of the holders of Credit Linked Notes.

Holders of Credit Linked Notes are responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committee. Notices of questions referred to the Credit Derivatives Determinations Committee, meetings held to deliberate such questions and the results of binding votes will be published on the ISDA website and neither of the Issuer, the Calculation Agent nor any of their respective Affiliates shall be obliged to inform the holders of Credit Linked Notes of such information (other than as expressly provided in respect of such Credit Linked Notes).

Holders of Credit Linked Notes should also be aware that following the occurrence of a Credit Event Resolution Request Date in respect of a Reference Entity, any obligation of the Issuer to redeem or cancel or otherwise settle any such Credit Linked Notes or pay any amount in respect thereof may be suspended until the occurrence of a DC Credit Event Announcement or a DC No Credit Event Announcement or the relevant Credit Derivatives Determinations Committee has resolved to dismiss the relevant DC Question.

Inconvertibility, non-transferability and cross border related risks

Events may occur which (i) from a legal or practical perspective make it impossible or not reasonably practicable to: (a) convert the currency of the jurisdiction (the "**Domestic Jurisdiction**") in which the relevant Reference Entity is organised (the "**Domestic Currency**") into the Specified Currency, or (b) deliver the Specified Currency: (x) within the Domestic Jurisdiction; or (y) from the Domestic Jurisdiction to any other country; or (c) deliver the Domestic Currency (xx) within the Domestic Jurisdiction; or (yy) to a party that is a non-resident of the Domestic Jurisdiction, (ii) restrict the ability of the Issuer or any of its Affiliates or agents to acquire, hold or redeem any of the Reference Obligations or hedge the obligations of the Issuer in respect of the Notes or (iii) affect the tax position of the Reference Entity or costs to the Issuer in performing or hedging its obligations in respect of the Notes. The occurrence of any such events may result in (a) the relevant Notes being redeemed or cancelled early in accordance with the Conditions and/or (b) an investor receiving payment in a currency other than the Specified Currency and/or (c) payment being postponed. In addition, such events could result in adjustments being made to the relevant Credit Linked Notes which may have an adverse effect on their value and reduce the amount due to the relevant investor.

ISDA Credit Derivatives Definitions

This Base Prospectus contains Additional Terms and Conditions for Credit Linked Notes with terms based on the 2003 ISDA Credit Derivatives Definitions and the 2009 ISDA Credit Derivatives Determination Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (the "**2003 ISDA Definitions**") or 2014 Credit Derivatives Definitions (the "**2014 ISDA Definitions**").

Whilst there are similarities between the terms used in this Base Prospectus (in particular, in the Additional Terms and Conditions for Credit Linked Notes and the terms used in the 2003 ISDA Definitions (in the case of Annex 5) and the 2014 ISDA Definitions (in the case of Annex 7), there are also substantial differences. Any prospective investor should understand that the complete terms and conditions of the Notes are as set out in this Base Prospectus together with the applicable Final Terms, and that neither the 2003 ISDA Definitions nor the 2014 ISDA Definitions are incorporated by reference herein. Consequently, investing in Credit Linked Notes is not necessarily equivalent to investing a credit default swap that incorporates either the 2003 ISDA Definitions or the 2014 ISDA Definitions.

While the International Swaps and Derivatives Association Inc. ("**ISDA**") has published and, where appropriate, supplemented the 2003 ISDA Definitions and the 2014 ISDA Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the 2014 ISDA Definitions and the terms applied to credit derivatives generally, including Credit Linked Notes are

subject to further evolution. Past events have shown that the view of market participants may differ as to how the 2003 ISDA Definitions or the 2014 ISDA Definitions operate or should operate. As a result of the continued evolution of the market, the Credit Linked Notes may not conform to future market standards. Such a result may have a negative impact on the Credit Linked Notes and there can be no assurances that changes to the terms applicable to credit derivatives generally will be predicable or favourable to the Issuer or the Holders.

Differences between the 2003 ISDA Definitions and the 2014 ISDA Definitions

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

(a) introduced a new Credit Event of "Governmental Intervention", which is intended to capture "bail-in" procedures to which financial institutions may be subject;

(b) made certain amendments to the Restructuring Credit Event to provide for the possibility of a Euro exit;

(c) reduced the number of buckets applicable in circumstances where Mod Mod R is applicable and deleted the concept of the "Enabling Obligation" which was previously applicable to both Mod R and Mod Mod R;

(d) introduced the concept of Asset Package Delivery in respect of certain Financial Reference Entities and Sovereigns. This provides that if Deliverable Obligations are exchanged into non-Deliverable assets or written-down in part or in full, in certain circumstances, the credit protection buyer will be able to deliver the resultant package of Assets or the written-down Deliverable Obligation to realise its protection;

(e) split credit protection between senior and subordinated coverage in respect of a Governmental Intervention and Restructuring Credit Event for Financial Reference Entities, i.e. a Senior Transaction will only be triggered by a Restructuring or Governmental Intervention of Senior Obligations and a Subordinated Transaction will not be capable of being triggered by a Restructuring or Governmental Intervention of an obligation which is Subordinated to the Subordinated Reference Obligation;

(f) made a number of changes to the provisions for determining a Successor to a Reference Entity, particularly with respect to Financial and Sovereign Reference Entities;

(g) provided for a new election of "Standard Reference Obligation" which, if chosen, will mean that the Reference Obligation will be the obligation of the relevant seniority level published in respect of the relevant Reference Entity on a List maintained by ISDA. A transaction on the terms of the 2014 ISDA Definitions may elect not to apply that election such that the Reference Obligation would remain as chosen by the parties, although, if this is the case, the procedure for selecting a Substitute Reference Obligation has also changed significantly in the 2014 ISDA Definitions;

(h) replaced the Not Contingent Deliverable Obligation Characteristic with the concept of Outstanding Principal Balance. In order for an obligation (including the Reference Obligation) to constitute a Deliverable Obligation, it must have an Outstanding Principal Balance greater than zero;

(i) amended the definition of "Qualifying Guarantee" to expand the universe of guarantees that can constitute Qualifying Guarantees (with a particular emphasis on including, to some extent, guarantees with caps or transfer provisions); and

(j) introduced a large number of technical and other changes.

These changes in the 2014 ISDA Definitions as compared to the 2003 ISDA Definitions have been reflected in the Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version) in Annex 7 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 a 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 Additional Terms and Conditions for Credit Linked Notes (2003 ISDA Credit Derivatives Definitions Version) in Annex 5 of this Base Prospectus. Some changes may be disadvantageous to Holders 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.

10. Additional risks related to Equity Linked Notes

General risks relating to Equity Linked Notes

The Issuer may issue Equity Linked Notes where the Final Redemption Amount, Cash Settlement Amount, or interest or other interim amounts payable are dependent upon the price of or changes in the price of shares or a basket of shares or where, depending on the price or change in the price of the shares or basket of shares, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Equity Linked Notes may bear similar market risks to a direct equity investment and investors should take advice accordingly. An investment in Equity Linked Notes will entail significant risks not associated with a conventional debt security.

Prospective investors should be aware that the market value of the Notes may not have a direct relationship with the prevailing price of the Underlying Equity (or basket of Underlying Equities), in that changes in the prevailing price of the Underlying Equity (or basket of Underlying Equities) will not necessarily result in a comparable change in the market value of the Notes.

The Issuer, the Dealer(s) (if any) and the Calculation Agent have no duty to disclose any information with respect to any Underlying Equity

The Issuer, the Dealer(s) (if any), the Calculation Agent or any of their respective Affiliates may have acquired, or during the term of the Notes may acquire, non-public information with respect to an Underlying Equity that they may not disclose. None of the Issuer, the Dealer(s) (if any), the Calculation Agent, any of their respective Affiliates or any of their respective directors, employees or agents is under any obligation (i) to assess on the Noteholder's behalf, the likely performance of an Underlying Equity or conduct any investigation or due diligence in respect of the issuer of an Underlying Equity or (ii) other than as may be required by applicable rules and regulations relating to the Equity Linked Notes, to make available any public or non-public information they may possess in respect of an Underlying Equity.

Prospective investors must therefore make an investment decision based upon their own due diligence and should purchase the Equity Linked Notes on the basis of their own assessment of the likely performance of the Underlying Equity (or basket of Underlying Equities) in the knowledge that non-public information which the Issuer, the Dealer(s) (if any), the Calculation Agent or any of their respective Affiliates may have will not be disclosed to investors.

No issuer of the relevant share(s) will have participated in the preparation of the applicable Final Terms or in establishing the terms of the Equity Linked Notes

Generally no issuer of the relevant share(s) will have participated in the preparation of the applicable Final Terms or in establishing the terms of the Equity Linked Notes and none of the Issuer or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of any publicly available information) that would affect the trading price of the share will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the share and therefore the trading price of the relevant Equity Linked Notes.

Factors affecting the performance of shares may adversely affect the value of the Equity Linked Notes

The performance of shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

Potential Adjustment Events

Certain corporate events may occur in respect of the Underlying Equity which result in an adjustment being made to the terms of the relevant Equity Linked Notes. Such corporate events include, for example, reconstructions of capital, cash returns of capital, bonus issues, rights issues and extraordinary dividends. The Issuer will notify the relevant Holders of Equity Linked Notes of any such adjustment as soon as practicable upon becoming aware of such adjustment.

Holders of Equity Linked Notes have no claim against the issuer of the relevant share or recourse to the relevant shares

Equity Linked Notes do not represent a claim against or an investment in any issuer of the relevant share(s) and investors will not have any right of recourse under the Equity Linked Notes to any such company or the relevant shares. The Equity Linked Notes are not in any way sponsored, endorsed or promoted by any issuer of the relevant shares and such companies have no obligation to take into account the consequences of their actions for any holders. Accordingly, the issuer of the relevant share(s) may take any actions in respect of such share(s) without regard to the interests of the purchasers of the Equity Linked Notes, and any of these actions could adversely affect the market value of the Equity Linked Notes.

Holders of Equity Linked Notes may receive physical delivery of relevant shares in lieu of payment of cash amounts

Where Equity Linked Notes include the right of the Issuer, subject to the fulfilment of a particular condition, to redeem/settle the Equity Linked Notes at their maturity by delivering relevant shares to the purchaser of such Equity Linked Notes, the purchasers will receive such relevant shares rather than a monetary amount upon maturity.

Holders of such Equity Linked Notes will, therefore, be exposed to the issuer of the relevant shares and the risks associated with such relevant shares. The purchaser should not assume that he or she will be able to sell such relevant shares for a specific price after the redemption/settlement of the Equity Linked Notes, and in particular not for the purchase price of the Equity Linked Notes. Under certain circumstances the relevant shares may only have a very low value or may, in fact, be

worthless. Holders of Equity Linked Notes may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such relevant shares.

Holders will have no voting rights or right to receive dividends in respect of the relevant shares

Except as provided in the applicable Final Terms in relation to Physical Delivery Notes, Holders of Equity Linked Notes will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Equity Linked Notes relate.

Equity Linked Notes linked to exchange traded funds

Where the Underlying Equity with respect to a series of Equity Linked Notes is the units of an exchange traded fund ("**ETF**"), neither the Issuer nor its Affiliates have the ability to control or predict the actions of the manager of such ETF. The manager is not involved in the offer of Equity Linked Notes and has no obligation to consider investors' interests in taking any action that might affect the value of the units of the ETF and, in turn, affect the Equity Linked Notes.

The manager is responsible for making strategic, investment and other trading decisions with respect to the management of the fund assets, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. The performance of the fund assets is significantly dependent upon the capabilities of the management team of the manager. The manner in which the fund assets are managed and the timing of such decisions will have a significant impact on the performance of the fund assets, and hence, on the Equity Linked Notes.

There is also a risk that the investment objectives and/or policies as set out in the constitutive documents in relation to the ETF are materially changed or not complied with, or other events may occur that affect the ETF. Such changes or events may impact on the performance of the fund assets and on the units of the ETF. In such case, the Calculation Agent may decide, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner, to make adjustment or terminate the Equity Linked Notes early in accordance with Equity Linked Condition 3. Following such redemption 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 relevant Equity Linked Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

Some ETFs that aim to track an index may not invest directly in the index constituents but instead they may synthetically replicate the performance of the index by investing in derivatives issued by market counterparties that are linked to the index constituents of the index. For these synthetic ETFs, investors are exposed to the credit risk of the counterparties that issued the derivatives, in addition to the risks relating to the index. Potential contagion and concentration risks of these counterparties that issued the derivatives should also be taken in to account (for example, since these counterparties are predominantly international financial institutions, the failure of one derivative counterparty of a synthetic ETF may have a "knock-on" effect on other derivative counterparties of the synthetic ETF). Some synthetic ETFs have collateral to reduce counterparty risks, but there may be a risk that the market value of the collateral has fallen substantially when the synthetic ETF seeks to realise the collateral.

In addition, a higher liquidity risk is involved if a synthetic ETF involves derivatives that do not have an active secondary market, and wider bid-offer spreads in the price of the derivatives may result in losses in the ETF. There may also be disparity between the performance of the synthetic ETF and the performance of the index which the synthetic ETF aims to track due to, for instance, failure of the tracking strategy, currency differences, fees and expenses. Also, where the index/market that the synthetic ETF aims to track is subject to restricted access, the efficiency in unit creation or redemption to keep the market price of the synthetic ETF in line with its net asset value

may be disrupted, causing the synthetic exchange traded fund to trade at a premium or discount to its net asset value.

The market value of the derivatives and the synthetic ETF may drop substantially in these circumstances and may adversely affect the value of the Equity Linked Notes in which case investors may suffer a loss in their investment.

DOCUMENTS INCORPORATED BY REFERENCE

The documents described below shall be incorporated in and form part of this Base Prospectus, save that any statement contained in any document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Any document incorporated by reference in any of the documents described below does not form part of this Base Prospectus.

MBL Annual Reports

The 2018 annual report and 2019 annual report of MBL, which include the audited annual financial statements of MBL and MBL consolidated with its controlled entities for the financial years ended 31 March 2018 and 2019, and the independent audit report in respect of such financial statements, shall be deemed to be incorporated in, and to form part of, this Base Prospectus.

The financial report of MBL and MBL consolidated with its controlled entities for the financial years ended 31 March 2018 and 2019 includes Income Statements, Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity, Statements of Cash Flows, Notes to the Financial Statements and the Directors' Declaration. The financial report including the independent audit report, can be located in the 2019 annual report (and in the case of the financial year ended 31 March 2018, also in the 2018 annual report) on the following pages:

	2019 Annual Report	**2018 Annual Report**
	2019	**2018**
Income Statements	45	43
Statements of Comprehensive Income	46	44
Statements of Financial Position	47	45
Statements of Changes in Equity	48-49	46-47
Statements of Cash Flows	50	48
Notes to the Financial Statements	52-187	49-140
Directors' Declaration	188	141
Independent Auditor’s Report	189-192	142-146

See "*Selected Financial Information*" on pages 174 to 177 inclusive of this Base Prospectus for further information on the audited annual financial statements of MBL and MBL consolidated with its controlled entities.

Any information not listed in the tables above but included in the documents incorporated by reference is given for information purposes only.

All information which MBL has published or made available to the public in compliance with its obligations under the laws of the Commonwealth of Australia dealing with the regulation of securities, issuers of securities and securities markets has been released to the Australian Securities Exchange ("**ASX**") in compliance with the continuous disclosure requirements of the ASX Listing Rules. Announcements made by MBL under such rules are available on ASX's internet site www.asx.com.au (MBL's ASX code is "MBL").

Internet site addresses in this Base Prospectus are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, this Base Prospectus.

If only certain parts of a document are incorporated by reference, the non-incorporated parts of the document are either not relevant for the investor or are covered elsewhere in this Base Prospectus.

The Principal Paying Agent for any Notes to be listed on the SGX-ST will provide (on behalf of the Issuer), without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Written or telephone requests for such documents should be directed to the Principal Paying Agent at its principal office in Hong Kong as set out at the end of this Base Prospectus. In addition, such documents will be available on the website of the Issuer: www.macquarie.com.

The Issuer will, in connection with the listing of any Notes issued under the Programme on the SGX-ST, so long as the Notes remain outstanding and listed on such exchange, in the event of any material adverse change in the financial condition of the Issuer, which is not reflected in the Base Prospectus, advise (where required) the SGX-ST and prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes to be listed on the SGX-ST.

The Issuer may agree with any Dealer and the SGX-ST that the Notes may be issued in a form not contemplated by the Note Conditions set out herein, in which event a supplement to the Base Prospectus or a new Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

GENERAL DESCRIPTION OF THE PROGRAMME

The following description of the Programme does not purport to be complete and is taken from, and is qualified in its entirety by, the Summary and the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Series of Notes, the applicable Final Terms. The Issuer and any relevant Dealer (if any) may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, a new Base Prospectus or 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.

Words or expressions defined or used in the Terms and Conditions of the Notes (the "**Note Conditions**" or "**Conditions**") shall, unless the contrary intention appears, have the same meaning in this description.

Issuer:	Macquarie Bank Limited (ABN 46 008 583 542) ("**MBL**"), a corporation constituted with limited liability under the laws of the Commonwealth of Australia and authorised to carry on banking business in the Commonwealth of Australia, the United Kingdom, Hong Kong and Singapore. Additional issuers may accede to the Programme and be specified in the applicable Final Terms.
Description:	Structured Note Programme.
Principal Paying Agent:	Deutsche Bank AG, Hong Kong Branch or MBL
Paying Agent:	Deutsche Bank AG, London Branch
New York Paying Agent:	Deutsche Bank Trust Company Americas
Calculation Agent:	MBL or such other entity as may be appointed to act as Calculation Agent by MBL under the Programme and specified in the applicable Final Terms; provided that in the event that MBL has determined that a Benchmark Disruption Event has occurred, MBL may appoint another person as Calculation Agent.
Arranger:	MBL.
Initial Dealer:	MBL.
CMU Lodging Agent:	Deutsche Bank AG, Hong Kong Branch
Exchange Agent:	Deutsche Bank AG, Hong Kong Branch
Transfer Agent:	Deutsche Bank Luxembourg S.A.
New York Transfer Agent:	Deutsche Bank Trust Company Americas
Registrar:	Deutsche Bank Luxembourg S.A.
New York Registrar:	Deutsche Bank Trust Company Americas
Issue Price:	MBL or such other issuer as may be appointed under the Programme (each

an "**Issuer**") may issue Notes (the "**Notes**"). The Notes may be issued on a fully-paid or partly-paid basis, at any issue price which is at par or a discount to, or a premium over, par as specified in the relevant Final Terms or (in other cases) as agreed between the Issuer and the relevant Dealer(s) (if applicable).

Form of Notes:

The Notes of each Series will be issued in bearer form (such Notes being "**Bearer Notes**") or in registered form (such Notes being "**Registered Notes**") as specified in the applicable Final Terms.

Bearer Notes may not be exchanged for Registered Notes and vice versa. Unless otherwise specified in the applicable Final Terms, the Bearer Notes will be issued in Classic Global Note ("**CGN**") form.

Definitive Bearer Notes (other than Zero Coupon Notes) will be issued with Coupons attached.

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

Registered Notes initially will be represented by Registered Global Notes. Registered Notes sold in the United States in private transactions exempt from, or not subject to, the registration requirements of the Securities Act to qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A under the Securities Act ("**Rule 144A**") or to, or for the account or benefit of, U.S. persons who are QIBs and, in each case, who agree to purchase the Notes for their own account or for the accounts of one or more other persons each of whom is a QIB and not with a view to the distribution thereof and (unless otherwise provided in the applicable Final Terms) provide an Investor Representation Letter substantially in the form as made available by the Issuer, initially will be represented by a Rule 144A Global Note (the "**Rule 144A Global Note**").

If it is specified in the applicable Final Terms that Registered Notes as described above may also be sold outside of the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**"), such Notes sold pursuant to Regulation S initially will be represented by a Regulation S Global Note in registered form (the "**Regulation S Global Note**").

For so long as any of the Notes is represented by a Global Note held by (i) a common depositary or common safekeeper on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or (ii) a sub-custodian for the Hong Kong Monetary Authority ("**HKMA**") as operator of the Central Moneymarkets Unit Service (the "**CMU Service**"), each person (other than Euroclear, Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes shall be treated by the Issuer, any Paying Agent and, if applicable, the CMU Lodging Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes.

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

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

Settlement of Notes: Settlement of Notes may be by way of cash payment ("**Cash Settled**") or physical delivery ("**Physical Delivery**"), as specified in the applicable Final Terms.

Physical Delivery Notes: In order to receive the relevant asset(s) comprising the Entitlement, a Noteholder must deliver an Asset Transfer Notice or other similar notice as may be set out in the applicable Final Terms on or prior to a specified Cut-Off Date and pay all taxes, duties and/or expenses arising from delivery. For certain Reference Item Linked Notes, if certain disruption events occur at the time for settlement, the relevant settlement date may be postponed and in certain circumstances the Issuer will be entitled to make payment of a cash amount in lieu of physical delivery.

Reference Item Linked Notes

Index Linked Notes: Amounts payable in respect of Index Linked Notes will be calculated by reference to one or more Indices. An Index may reference or comprise reference equities, bonds, property, currency exchange rates or other assets or bases of reference, as specified in the applicable Final Terms.

In the event that (i) an Index's Sponsor fails to calculate and announce the Index, (ii) the Index Sponsor materially modifies the Index or permanently

	cancels the Index, (iii) certain market disruption events occur, or (iv) certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer's or any Affiliate's hedging arrangements or change in law occurs, the Index Linked Notes may be subject to (a) early redemption or cancellation, as applicable, (b) adjustment at the discretion of the Calculation Agent if an Index is modified or cancelled and there is no successor index acceptable to the Calculation Agent or (c) substitution of the Index. In addition, if certain disruption events occur with respect to valuation of an Index such valuation may be postponed and may be made by the Calculation Agent. In such circumstances, payments in respect of the Index Linked Notes may also be postponed.
Equity Linked Notes	Amounts payable in respect of Equity Linked Notes will be calculated by reference to a single Underlying Equity or basket of Underlying Equities. Alternatively, Equity Linked Notes may also provide for settlement by physical delivery of a specified amount of Underlying Equities of one or more companies, subject to payment of any other sums payable. In the event that (i) certain corporate events occur (such as events affecting the value of an Underlying Equity (including Underlying Equity divisions or consolidations, extraordinary dividends and capital calls), de-listing of an Underlying Equity, insolvency, merger or nationalisation of the Equity Issuer; a tender offer or redenomination of an Underlying Equity), (ii) certain events occur with respect to the Issuer's or any Affiliate's hedging arrangements (such as illegality, disruptions or cost increases) or a change in law occurs, or (iii) insolvency filings are made with respect to an Equity Issuer, the Equity Linked Notes may be subject to (a) early redemption or cancellation, as applicable, (b) adjustment at the discretion of the Calculation Agent (including as to valuation) or (c) Underlying Equity substitution. If certain disruption events occur with respect to valuation of an Underlying Equity, such valuation may be postponed and/or may be made by the Calculation Agent. In such circumstances, payments in respect of the Equity Linked Notes may also be postponed.
FX Linked Notes:	Amounts payable in respect of FX Linked Notes will be calculated by reference to the rate of exchange of a single Subject Currency or basket of Subject Currencies. FX Linked Notes may also provide for settlement by physical delivery of a specified amount of the relevant currencies, subject to payment of any other sums payable. If certain disruption events occur with respect to a rate of exchange of a single Subject Currency or basket of Subject Currencies, such valuation may be postponed and/or made by the Calculation Agent.
Commodity Linked Notes:	Amounts payable in respect of Commodity Linked Notes will be calculated by reference to a single commodity and/or commodity index or basket of commodities and/or commodity indices. Commodity Linked Notes may also provide for settlement by Physical Delivery of a specified amount of commodities, subject to payment of any other sums payable.

If certain disruption events occur with respect to valuation of a Commodity or futures or options contracts relating to such commodity, such valuation may be postponed and/or may be made by the Calculation Agent. Commodity Linked Notes linked to a commodity index may be subject to adjustment if such commodity index is modified or cancelled and there is no successor acceptable to the Calculation Agent or if the index Sponsor fails to calculate and announce the index.

Fund Linked Notes: Amounts payable in respect of Fund Linked Notes will be calculated by reference to Fund Interests in a Reference Fund or basket of Reference Funds. Fund Linked Notes may also provide for settlement by Physical Delivery of a specified amount of Fund Interests of one or more Reference Funds, subject to payment of any other sums payable.

In the event that (i) certain corporate events occur (such as insolvency (or an analogous event) or nationalisation of a Reference Fund; litigation against, or regulatory events occurring with respect to a Reference Fund, suspensions of Reference Fund subscriptions or redemptions, certain changes in net asset value or violations of leverage restrictions of a Reference Fund, Reference Fund reporting disruptions, or modifications to the investment objectives or changes in the nature or administration of a Reference Fund), (ii) certain valuation or settlement disruption events occur with respect to a Reference Fund, or (iii) certain events occur with respect to the Issuer's and/or any Affiliate's hedging arrangements (such as illegality, disruptions or cost increases), the Fund Linked Notes may be subject to (a) early redemption or cancellation, as applicable, (b) adjustment at the discretion of the Calculation Agent (including as to valuation) or (c) fund substitution.

In the event that (i) certain corporate events occur (including but not limited to events affecting the value of a Fund Interest including Reference Fund divisions or consolidation, a distribution or dividend, insolvency, merger or nationalisation of a Reference Fund Issuer, resignation or termination of the Fund Advisor in relation to a Reference Fund, a breach of investment guidelines by a Reference Fund or a repurchase of the Fund Interest by the Reference Fund) or modifications of its investment objectives occur, or (ii) if certain events occur with respect to the Issuer's and/or any Affiliate's hedging arrangements, the Fund Linked Notes linked to Exchange Traded Funds may be subject to (a) early redemption or cancellation, as applicable or (b) adjustment at the discretion of the Calculation Agent (including as to valuation and/or substitution of a Reference Fund).

If certain disruption events occur with respect to the valuation of a Fund Interest to which Reported Value Method is applicable, such valuation may be postponed and may be made by the Calculation Agent. In such case, payments in respect of the Fund Linked Notes may also be postponed.

Credit Linked Notes: Subject to alternative procedures applicable in relation to Auction Settlement (as set out below), amounts payable in respect of Credit Linked Notes, in respect of which a Credit Event has occurred and the Conditions to Settlement has been satisfied, will be calculated by reference to the credit of a specified entity or group of specified entities.

If Conditions to Settlement are satisfied, the Credit Linked Notes will be redeemed or cancelled, as the case may be, and the Issuer will (if Conditions to Settlement - Cash Settlement is specified in the applicable Final Terms) pay the Calculation Amount set out in the applicable Final Terms or (if Conditions to Settlement - Physical Delivery is specified in the applicable Final Terms) deliver the Calculation Amount set out in the applicable Final Terms.

Where Auction Settlement is specified as the applicable Settlement Method for a Series of Credit Linked Notes in the relevant Final Terms and an Auction Final Price Determination Date occurs, the Auction Final Price will be determined according to an auction procedure set out in the applicable rules published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time, as the same may be amended from time to time.

If Conditions to Settlement - Auction Settlement is specified in the applicable Final Terms and a Credit Event Determination Date occurs, the Notes may be redeemed or cancelled, as the case may be, and the Issuer will pay an amount in respect of Credit Linked Notes equal to the Credit Event Redemption Amount.

Additional Features: Notes issued under the Programme may have set out in the applicable Final Terms additional or other features relating to, for example but without limitation, factors affecting the accrual of interest amounts, the timing of interest payments and/or redemption or cancellation amounts, as applicable, early termination provisions, autocall provisions and knock-in or knock-out events. In addition, further underlying reference bases may be applicable.

FORM OF NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States or otherwise in private transactions exempt from, or not subject to, the registration requirements of the Securities Act to QIBs within the meaning of Rule 144A.

Bearer Notes

Where TEFRA 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) is specified in the applicable Final Terms, each Tranche of Bearer Notes will be initially issued in the form of a temporary global note (a "**Temporary Bearer Global Note**") or, if TEFRA 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) is not so specified in the applicable Final Terms, a permanent global note (a "**Permanent Bearer Global Note**" and, together with a Temporary Bearer Global Note, each a "**Bearer Global Note**") which, in either case, will:

(a) 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

(b) 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 either (i) a common depositary (the "**Common Depositary**") for, Euroclear and Clearstream, Luxembourg or (ii) a sub-custodian for the Hong Kong Monetary Authority ("**HKMA**") as operator of the Central Moneymarkets Unit Service (the "**CMU Service**").

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer 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 the Temporary Bearer Global 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/or Deutsche Bank AG, Hong Kong Branch (the "**CMU Lodging Agent**") and (in the case of a Temporary Bearer Global Note delivered to a Common Depository for Euroclear and/or Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer 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, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The CMU Service may require that any such exchange for a Permanent Global Bearer Note is made in whole

and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) have so certified.

The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

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

In respect of a Bearer Global Note held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) and save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) in the case of Notes held through the CMU Service, from the relevant account holders therein to the CMU Lodging Agent as described therein, or (b) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Note Condition 9) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg, and in the case of Notes cleared through the CMU Service, the CMU Service, 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 Bearer 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, (a) in the case of Notes held by a Common Depository on behalf of Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg or the common depositary or the common safekeeper for Euroclear and Clearstream, Luxembourg, as the case may be, on their behalf (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) and (b) in the case of Notes held through the CMU Service, the relevant account holders therein, may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or, as the case may be, the CMU Lodging Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"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 Bearer Notes, receipts or interest coupons and will not be entitled to capital gains

treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

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

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**"). Beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (as defined in Regulation S) save as otherwise provided in Condition 2 and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

In the event that the applicable Final Terms specifies that a Tranche of Notes is eligible for sale in the United States or to, or for the account or benefit of, U.S. persons, the Registered Notes of each such Tranche initially will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, each a "**Registered Global Note**") and may only be offered and sold in private transactions exempt from, or not subject to, the registration requirements of the Securities Act to QIBs as defined in Rule 144A who agree to purchase the Notes for their own account or for the accounts of one or more other persons each of whom is a QIB, and not with a view to the distribution thereof, and (unless otherwise provided in the applicable Final Terms) provide an Investor Representation Letter substantially in the form as made available by the Issuer.

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**"), (ii) be deposited with a common depositary or, if the Registered Global Notes are to be held under the new safe-keeping structure ("**NSS**"), a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms or (iii) be deposited with a sub-custodian for the HKMA as operator of the CMU Service. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Global Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provisions to the contrary, be made to the person shown on the Register (as defined in Condition5.4) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent, the Registrar or the New York Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition5.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred

and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, (iii) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg, and in the case of Notes held through the CMU Service, the CMU Service, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered 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, (a) in the case of Notes registered in the name of a nominee for DTC ("**DTC Notes**") or a nominee for a Common Depositary for Euroclear and/or Clearstream, Luxembourg, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) and/or (b) in the case of Notes held through the CMU Service, the relevant account holders therein, may give notice to the Registrar or (in the case of DTC Notes) the New York Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar, the New York Registrar or the CMU Lodging Agent, as the case may be, requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar, the New York Registrar or the CMU Lodging Agent, as the case may be.

Transfer of Interests

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

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent or, as the case may be, the CMU Lodging 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, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, CMU instrument number, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of any applicable period that by law or regulation would require such Notes not to be fungible.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service 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 or as may otherwise be approved by the Issuer and the Principal Paying Agent.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. 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 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 the Global Note will become void at 8.00 p.m. (London time) on the day immediately following such day. At the same time holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream,

Luxembourg and/or DTC and/or the CMU Service, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg, DTC and the CMU Service on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 6 July 2011 and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

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 new Base Prospectus or 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.

FORM OF FINAL TERMS OF THE NOTES

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 (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). 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 MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. 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.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") - [*To insert notice if classification of the Notes is not "capital markets products other than prescribed capital markets products, pursuant to Section 309B of the SFA" or 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)*]".][1]

[*Date*]

MACQUARIE BANK LIMITED
(ABN 46 008 583 542)

Legal entity identifier (LEI): 4ZHCHI4KYZG2WVRT8631

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Macquarie Bank Limited
Structured Note Programme

Each purchaser of Notes being offered within the United States or to, or for the account or benefit of, a U.S. person is hereby notified that the offer and sale of such Notes is being made in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"). Investors in the Notes will be deemed to have made or be required to make certain representations and warranties in connection with purchasing the Notes. [Notes sold in the United States or to, or for the account or benefit of, U.S. persons who are qualified institutional buyers ("**QIBs**") within the meaning of Rule 144A

[1] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

under the Securities Act will, unless otherwise specified in these Final Terms, be sold through a U.S. registered broker dealer.][2]

The Notes have not been and will not be registered under the Securities Act or under any securities laws of any state or jurisdiction of the United States and the Notes may not be offered, sold, transferred, pledged, delivered, redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, any U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold outside the United States to persons other than U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**") in offshore transactions in reliance on, and in compliance with, Regulation S [and in the United States to QIBs in private transactions exempt from, or not subject to, the registration requirements of the Securities Act][3]. Terms used in this paragraph and the preceding paragraph have the meanings given to them by Regulation S. Trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") under the U.S. Commodity Exchange Act, as amended (the "**CEA**").

[Any Notes sold in reliance on Rule 144A will be treated as "restricted securities" within the meaning of Rule 144 under the Securities Act until the maturity date of such Notes.][4]

[The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law, and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act or in regulations adopted under the CEA, as defined below). Furthermore, trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") under the U.S. Commodity Exchange Act, as amended (the "**CEA**"), and no U.S. person may at any time trade or maintain a position in the Notes. For a description of certain restrictions on offers and sales of Notes, see Part C attached hereto and "*Notice to Purchasers and Transfer Restrictions*" in the Base Prospectus.][5]

Holders of any Notes will only be able to resell Notes in reliance on Rule 144A or Regulation S or to MBL, any of its Affiliates, or any of the Agents.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**"), any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of the Base Prospectus or these Final Terms. Any representation to the contrary is a criminal offence.

[Without prejudice to any other Singapore tax exemption which may be applicable to payments made by licensed banks in Singapore (such as MBL, Singapore Branch), where Notes are "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (ITA):

(a) (in the case of a tranche of Notes the payments upon which fall within Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (ITA)), interest, discount income, prepayment fee, redemption premium or break cost (Qualifying Income) which is derived by a person who is not tax resident in Singapore through a permanent establishment in Singapore will not enjoy the exemption from Singapore income tax for Specified Income arising from "qualifying debt securities" under the ITA if the non-tax-resident acquires the Notes using funds from that person's operations through the Singapore permanent establishment; and

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2 Include in the case of Rule 144A Global Notes being offered within the United States or for the benefit of U.S. persons.
3 Include in the case of Rule 144A Global Notes being offered within the United States or for the benefit of U.S. persons.
4 Include in the case of Rule 144A Global Notes being offered within the United States or for the benefit of U.S. persons.
5 Alternative language to be included for Notes that are determined to be permanently prohibited from being offered, sold, resold, transferred, pledged or delivered to U.S. persons.

(b) any person whose Qualifying Income derived from Notes is not exempt from Singapore income tax is required to include such income in a return of income made under the ITA.][6]

[6] Include in the case of Notes which may be subject to Singapore withholding tax pursuant to Section 12(6) of the ITA (including but not necessarily exclusively limited to Notes issued by MBL Singapore Branch — see "Taxation" section for further details.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 16 August 2019 [and the supplement to the Base Prospectus dated [•]]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus [as supplemented]. This Base Prospectus [and the supplement to the Base Prospectus dated [•]] do not comprise a base prospectus for the purposes of the Prospectus Regulation. 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 [as supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] is [are] available for viewing during normal business hours at the registered office of the Issuer and at the specified office of the Principal Paying Agent for the time being in Hong Kong. The Base Prospectus [as supplemented] and (in the case of Notes listed on the SGX-ST) the applicable Final Terms will also be published on the website of the SGX-ST.

[*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 Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated [*original date*] [and the supplement to the Base Prospectus dated [•]] [and incorporated by reference into the Base Prospectus dated [*current date*]]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplement to the Base Prospectus dated [•]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus dated [*current date*] and [, the supplement to the Base Prospectus dated [•]]. Copies of [such/the] [Base Prospectus/[es] are available for viewing during normal business hours at the registered office of the Issuer and at the specified office of the Principal Paying Agent for the time being in Hong Kong. The Base Prospectus dated [*current date*] [as supplemented] and (in the case of Notes listed on the SGX-ST) the applicable Final Terms will also be published on the website of the SGX-ST.

References herein to numbered Conditions are to the terms and conditions of the Notes and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms, save as where otherwise expressly provided.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A) or delete relevant provision. Note that the numbering should remain as set out below notwithstanding the "N/A" may be specified for individual paragraphs or subparagraphs.*]

[*When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus.*]

[*The purchase of Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Base Prospectus (including "Risk Factors" on pages 7 to 56 thereof) and these Final Terms.*]

[*Insert any specific additional warning statements or disclaimers*]

[*No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with 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 Dealer.]

By investing in the Notes each investor represents that:

(a) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.

(b) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.

(c) Status of Parties. None of the Issuer and any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the Notes.

1.	Issuer:		[Macquarie Bank Limited / [•]] [Insert branch as applicable]
2.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ] *If fungible with an existing Series, include details of that Series, including the date on which the Notes become fungible*
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(i)	[Series:]	[ ]
	(ii)	[Tranche:	[ ]]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable)*] *[Specify whether "fully paid" or "partly paid"]*
6.	(i)	Specified Denominations:	*[Specify currency and amount] (Condition 1). Where multiple denominations above [S$200,000] or equivalent are being used the following sample wording should be followed:*

			"[S$200,000] and integral multiples of [S$1,000] in excess thereof."] *[(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area ("**EEA**") exchange; and (ii) only offered in the EEA in circumstances where a prospectus is not required to be published under the Prospectus Regulation a [€100,000] minimum denomination is not required.)]* *[(Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom, or whose issue otherwise constitutes a contravention of Section 19 FSMA, and which have a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other Specified Currencies).)]* *[(If the Notes are admitted to trading on a regulated market in the EEA or are offered to the public in a Relevant EEA State, then the equivalent denomination for Notes denominated in an EEA currency other than euro must be calculated in accordance with the requirements (if any) in the Relevant EEA State.)]*
	(ii)	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.)*]
7.	[(i)]	Issue Date [and Interest Commencement Date]:	[ ]
	(ii)	[Interest Commencement Date (if different from the Issue Date):	[ ]]
8.	Maturity Date:		[*Specify date or for Floating Rate Notes* - Interest Payment Date falling on or nearest to [*specify month and year*]] [(the "**Scheduled Maturity Date**")] [subject as provided in Credit Linked Condition 6 [,/and] [Credit Linked Condition 7][and] [Credit Linked Condition 8 (*include for Credit Linked Notes*)]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Equity Linked Interest] [FX Linked Interest]

		[Commodity Linked Interest] [Fund Linked Interest] [Non-Interest bearing] [*specify other*] [(further particulars specified below)]
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Equity Linked Redemption] [FX Linked Redemption] [Commodity Linked Redemption] [Fund Linked Redemption] [Credit Linked Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/ Payment Basis:	[Applicable/Not Applicable] [*Specify details of any provision for change of Notes into another Interest Basis or Redemption/ Payment Basis*]
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)] [*N.B.: In relation to specifying minimum/maximum periods of notice of exercise of options, please see the notes below for further details of the minimum notice periods required to be given by the clearing systems*.] [Not Applicable]
13.	Status of the Notes:	Senior
14.	Tax gross-up obligation of the Issuer:	[Applicable/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

[*(Insert in respect of Notes, if applicable:)*

Each Interest Amount payable under the Notes represents an amount payable by the Issuer (i) as consideration for use of the issue price by the Issuer and (ii) as compensation for and in recognition that [*insert relevant details as to additional risks for which the interest amount is consideration*].]

15.	Fixed Rate Notes:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate(s) of Interest:	[ ] per cent. per annum [payable [annually/semi-

annually/quarterly] in arrear]

(*If payable other than annually, consider amending Condition 4*)

(*Not applicable in the case of a flat coupon amount; in which case consider disapplying interest accrual provisions in relation to any Early Redemption Amount.*)

(ii) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[*specify other*]

(*NB: This will need to be amended in the case of long or short coupons*)

(iii) Fixed Coupon Amount(s): [ ] per Calculation Amount

(iv) Broken Amount(s): [[ ] per Calculation Amount payable on the Interest Payment Date falling on [ ]/Not Applicable]

[*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)*]

(v) Day Count Fraction: [Actual/Actual (ICMA)

Actual/Actual (ISDA)

Actual/365 (Fixed)
Actual/365 (Sterling)

Actual/360
30/360 (ICMA)

30/360

30E/360

30E/360 (ISDA)

Other]

[(*NB*: *Actual/Actual (ICMA) is normally only appropriate for Fixed Rate Notes denominated in euros*)]

(vi) Determination Date(s): [ ] in each year

[*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration)*]

(*NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)

	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
16.	Floating Rate Notes:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [*if no Business Day Convention is to be specified in (ii) below, specify "*No Adjustment*" or "*Unadjusted*"*]
	(ii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
	(iii)	Business Day Centre(s):	[ ] *(Note that if no Business Day Centre is specified herein, the default Business Day location will be London under Condition 4.3(a)).*
	(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/Range Accrual*/specify other*] [*If Range Accrual insert following language:* The Rate of Interest for each Interest Period shall be determined by the Calculation Agent in accordance with the following formula: Coupon x (n/N) *Where:* "**Coupon**" means [ ]. "**n**" means the total number of calendar days in the relevant Interest Period on which the Reference Rate (as defined below) is within the Range. "**N**" means the actual number of calendar days in the relevant Interest Period. "**Range**" means for each Interest Period in the period from (and including) [ ] to (but excluding) [ ], equal to or greater than zero but less than or equal to [ ] per cent. "**Reference Rate**" means, in respect of a calendar day, the rate for deposits in [ ] for a period of [ ] months which appears on [*insert page reference*] (or such successor page or service as may in the determination of

		the [Calculation Agent] replace such page or service) (the "**Screen Page**") as of [*insert time*] on such calendar day or if the Screen Page is not available or the relevant rate is not quoted and it is impossible or otherwise impracticable to obtain the relevant rate, the rate determined by the Calculation Agent in its sole discretion from such source(s) and at such time as it may select, Provided That if a calendar day is not a Business Day the Reference Rate for such calendar day shall be the Reference Rate for the immediately preceding Business Day, Provided Further That for each calendar day in an Interest Period falling after the seventh (7) Business Day prior to the [end of such Interest Period], the Reference Rate shall be the Reference Rate on such seventh (7) Business Day.]
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[Calculation Agent]
(vi)	Screen Rate Determination:	[Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	– Reference Rate:	[ ] (*Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement*)
	– Interest Determination Date(s):	[ ] (*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
	– 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*)
	– Rate Multiplier:	[Applicable/Not Applicable] (*specify formula*)
(vii)	ISDA Determination:	
	– Floating Rate Option:	[ ]

		– Designated Maturity:	[ ]
		– Reset Date:	[ ]
	(viii)	Margin(s):	[+/-] [ ] per cent. per annum
	(ix)	Minimum Rate of Interest:	[ ] per cent. per annum
	(x)	Maximum Rate of Interest:	[ ] per cent. per annum
	(xi)	Day Count Fraction:	[Actual/Actual (ICMA) 30/360 Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 (ICMA) 30/360 30E/360 30E/360 (ISDA) *Other*]
	(xii)	Fallback Interest Rate:	See Condition 4.3(b)(iii)/[Specify]
	(xiii)	Rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Terms and Conditions:	[ ]
17.	Zero Coupon Notes:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Accrual Yield:	[ ] per cent. per annum
	(ii)	Reference Price:	[ ]
	(iii)	Any other formula/basis of determining amount payable:	[ ]
	(iv)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 6.5(c) and 6.13 *apply/specify other*] (*Consider applicable day count fraction if not US$ denominated*)
18.	Index Linked Interest Notes:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [The provisions of Annex 1 of the Terms and Conditions –

		Additional Terms and Conditions for Index Linked Notes shall apply.]
(i)	Index/Basket of Indices/Index Sponsor(s):	[ ] [The [ ] Index is a Designated Multi-Exchange Index]
(ii)	Formula for calculating interest rate including back up provisions:	[ ]
(iii)	Calculation Agent responsible for making calculations in respect of the Notes:	[Macquarie Bank Limited]/[*other entity appointed by MBL*]
(iv)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
(vi)	Business Day Centre(s):	[ ] *(Note that if no Business Day Centre is specified herein, the default Business Day location will be London under Condition 4.3(a)).*
(vii)	Minimum Rate of Interest:	[ ] per cent. per annum
(viii)	Maximum Rate of Interest:	[ ] per cent. per annum
(ix)	Day Count Fraction:	[ ]
(x)	Averaging:	[The Averaging Dates are [ ].] [In the event that an Averaging Date is a Disrupted Day, [Omission/ Postponement/ Modified Postponement [(Affected Postponement Only)/ (Whole Basket Postponement)]] will apply.]
(xi)	Index Performance:	[ ]
(xii)	Exchange Rate:	[Applicable/Not Applicable] [*insert details*]
(xiii)	Weighting:	[The weighting to be applied to each item comprising the Basket to ascertain the Index Performance is [ ]] / [Not Applicable]. [*(N.B. Only applicable in relation to Index Linked Notes relating to a Basket)*]
(xiv)	Exchange(s):	[ ]
(xv)	Related Exchange:	[ ]/[All Exchanges]

(xvi)	Valuation Date(s):	[ ] [Affected Postponement Only/ Whole Basket Postponement]
(xvii)	Valuation Time:	[ ]
(xviii)	Observation Date(s):	[ ]
(xix)	Observation Period:	[ ]
(xx)	Disrupted Day:	[If a Valuation Date, an Averaging Date or an Observation Date, as the case may be, is a Disrupted Day, the relevant level or price will be calculated [*insert calculation method*]] / [As set out in the Conditions]. [(*N.B. Only applicable where provisions in Index Linked Conditions are not appropriate*)]
(xxi)	Trade Date:	[ ]
(xxii)	Additional Disruption Events:	The following Additional Disruption Events apply to the Notes: [Change of Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Initial Stock Loan Rate: [ ]] [Loss of Stock Borrow Maximum Stock Loan Rate: [ ]] [Currency Disruption Specified Jurisdiction: [ ]]
(xxiii)	Correction of Index Levels:	[Applicable/ Not Applicable] [Correction Cut-Off Date: [ ]]
(xxiv)	Other terms or special conditions:	[ ]

19.	Equity Linked Interest Notes:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [The provisions of Annex 8 of the Terms and Conditions – *Additional Terms and Conditions for Equity Linked Notes*

		shall apply.]
(i)	Underlying Equity/Basket of Underlying Equities:	[ ] [[ ] is an Exchange Traded Fund or ETF] (*Include for ETFs*)
(ii)	Formula for calculating interest rate including back up provisions:	[ ]
(iii)	Calculation Agent responsible for making calculations in respect of the Notes:	[ ]
(iv)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
(vi)	Business Day Centre(s):	[ ] *(Note that if no Business Day Centre is specified herein, the default Business Day location will be London under Condition 4.3(a))*
(vii)	Minimum Rate of Interest:	[ ]
(viii)	Maximum Rate of Interest:	[ ]
(ix)	Day Count Fraction:	[ ]
(x)	Averaging:	[The Averaging Dates are [ ].]
(xi)	Underlying Equity Performance:	[ ]
(xii)	Exchange Rate:	[Applicable/Not Applicable] [*insert details*]
(xiii)	Weighting:	[The weighting to be applied to each item comprising the Basket to ascertain the Underlying Equity Performance is [ ]. (*N.B. Only applicable in relation to Equity Linked Notes relating to a Basket*)]/[Not Applicable]
(xiv)	Exchange(s):	[ ]
(xv)	Related Exchange:	[ ]/[All Exchanges]
(xvi)	Valuation Date(s):	[ ]

		[Affected Postponement Only/ Whole Basket Postponement]
(xvii)	Valuation Time:	[ ]
(xviii)	Observation Date(s):	[ ]
(xix)	Observation Period:	[ ]
(xx)	Disrupted Day:	[If a Valuation Date, an Averaging Date or an Observation Date, as the case may be, is a Disrupted Day, the relevant price will be calculated [*insert calculation method*]] / [As set out in the Conditions] (*N.B. Only applicable where provisions in Equity Linked Conditions are not appropriate*)
(xxi)	Potential Adjustment Events:	[Applicable/Not Applicable]
(xxii)	Delisting, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
(xxiii)	Tender Offer:	[Applicable/Not Applicable]
(xxiv)	Correction of Share Prices:	[Applicable/Not Applicable] [Correction Cut-Off Date: [ ]]
(xxv)	Adjustment to Underlying Equities in European Currencies:	[Applicable/Not Applicable]
(xxvi)	Trade Date:	[ ]
(xxvii)	Additional Disruption Events:	The following Additional Disruption Events apply to the Notes: [Change of Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow Initial Stock Loan Rate: [ ]] [Insolvency Filing] [Loss of Stock Borrow Maximum Stock Loan Rate: [ ]] [Currency Disruption

			Specified Jurisdiction: [ ]]
	(xxviii)	Other terms or special conditions:	[ ]
20.	FX Linked Interest Notes:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [The provisions of Annex 2 of the Terms and Conditions – *Additional Terms and Conditions for FX Linked Notes* shall apply.]
	(i)	Base Currency/Subject Currency:	[ ]
	(ii)	Currency Price:	[ ] [(*N.B. Complete only if different from definition contained in Annex 2 of the Terms and Conditions – Additional Terms and Conditions for FX Linked Notes*)]
	(iii)	FX Market Disruption Event(s):	Currency Disruption Event: [Applicable/Not Applicable] [*other*] [(*N.B. Only complete if Currency Disruption Event and/or other disruption events should be included as FX Market Disruption Events*)]
	(iv)	FX Price Source(s):	[ ]
	(v)	Specified Financial Centre(s):	[ ]
	(vi)	Formula for calculating interest rate including back up provisions:	[ ]
	(vii)	Calculation Agent responsible for making calculations in respect of the Notes:	[ ]
	(viii)	Specified Period(s)/Specified Interest Period:	[ ]
	(ix)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*]
	(x)	Business Day Centre(s):	[ ] *(Note that if no Business Day Centre is specified herein, the default Business Day location will be London under*

Condition 4.3(a)).

(xi)	Minimum Rate of Interest:	[ ]
(xii)	Maximum Rate of Interest:	[ ]
(xiii)	Day Count Fraction:	[ ]
(xiv)	Averaging:	Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [ ].]
(xv)	Valuation Date(s):	[ ]
(xvi)	Valuation Time:	[ ]
(xvii)	Weighting:	The weighting to be applied to each item comprising the Basket to ascertain the Currency Price is [ ]. [*(N.B. Only applicable in relation to FX Linked Notes relating to a Basket)*]
(xviii)	Other terms or special conditions:	[ ]

21. Commodity Linked Interest Notes: [Applicable/Not Applicable]

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

[The provisions of Annex 3 of the Terms and Conditions – *Additional Terms and Conditions for Commodity Linked Notes* shall apply.]

(i)	Commodity/Commodities/Commodity Index/Basket of Commodity Indices:	[ ]
(ii)	Formula for calculating interest rate including back up provisions:	[ ]
(iii)	Calculation Agent responsible for making calculations in respect of the Notes:	[ ]
(iv)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*]
(vi)	Business Day Centre(s):	[ ]

		(Note that if no Business Day Centre is specified herein, the default Business Day location will be London under Condition 4.3(a)).
(vii)	Minimum Rate of Interest:	[ ]
(viii)	Maximum Rate of Interest:	[ ]
(ix)	Day Count Fraction:	[ ]
(x)	Commodity Reference Price:	[ ]
(xi)	Price Source:	[ ]
(xii)	Exchange:	[ ]
(xiii)	Delivery Date:	[●] / [Not Applicable] *[specify whether price based on spot market, First Nearby Month, Second Nearby Month, etc.]*
(xiv)	Pricing Date:	[ ]
(xv)	Common Pricing:	[Applicable/Not Applicable] [(*N.B. Only applicable in relation to Commodity Linked Notes relating to a Basket*)]
(xvi)	Additional Commodity Market Disruption Events:	[*specify any applicable additional Commodity Market Disruption Events*]
	Additional provisions for Commodity Trading Disruption:	[Not Applicable] *[If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption relates]*
	Disruption Fallback(s):	[As set out in Commodity Linked Conditions]/[ ] Commodity Index Cut-Off Date: [ ]
(xvii)	Commodity Business Day:	[As set out in Commodity Linked Conditions]/[ ]
(xviii)	Trade Date:	[ ]
(xix)	Weighting:	The weighting to be applied to each item comprising the Basket is [ ] [*(N.B. Only applicable in relation to Commodity Linked Notes relating to a Basket)*]
(xx)	Specified Price:	[high price] [low price]

[average of the high price and the low price]

[closing price]

[opening price]

[bid price]

[asked price]

[average of the bid price and the asked price]

[settlement price]

[official settlement price]

[official price]

[morning fixing]

[afternoon fixing]

[spot price]

[other]

(xxi) Other terms or special conditions: [ ]

22. Fund Linked Interest Notes: [Applicable/Not Applicable]

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

[The provisions of Annex 4 of the Terms and Conditions – *Additional Terms and Conditions for Fund Linked Notes* shall apply.]

(i) Fund/Basket of Funds: [ ]

(ii) Fund Interests: [ ]

(iii) Formula for calculating interest rate including back up provisions: [ ]

(iv) Calculation Agent responsible for making calculations in respect of the Notes: [ ]

(v) Specified Period(s)/Specified Interest Payment Dates: [ ]

(vi) Business Day Convention: [Floating Rate Convention/Following Business Day

Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]

(vii) Business Day Centre(s): [ ]

(Note that if no Business Day Centre is specified herein, the default Business Day location will be London under Condition 4.3(a)).

(viii) Minimum Rate of Interest: [ ] per cent. per annum

(ix) Maximum Rate of Interest: [ ] per cent. per annum

(x) Day Count Fraction: [ ]

(xi) Trade Date: [ ]

(xii) Valuation Date(s): [ ]

(xiii) Valuation Time: [ ]

(xiv) Other terms or special conditions: [ ]

PROVISIONS RELATING TO REDEMPTION

23. Issuer Call: [Applicable/Not Applicable]

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

(i) Optional Redemption Date(s): [ ]

[Notwithstanding the foregoing, the Issuer may, by giving notice (an "**Optional Redemption Date Removal Notice**") to the Noteholders in accordance with Condition 13 (*Notices*), specify that any date which would otherwise have been an Optional Redemption Date will not be an Optional Redemption Date. Any such notice shall be irrevocable. There is no limit on the number of Optional Redemption Date Removal Notices which the Issuer may deliver to the Noteholders.]

(ii) Optional Redemption Amount(s) of each Note: [ ] per Calculation Amount

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [ ]

	(b)	Maximum Redemption Amount:	[ ]
(iv)	Notice period:		Minimum period: [7] days Maximum period: [15] 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 (which require a minimum of 5 clearing system business days' notice for a call), as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.*)]
24.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):		[ ]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):		[ ] per Calculation Amount
(iii)	Notice period (if other than as set out in the Conditions):		[ ] [(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put), as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.*)]
25.	Automatic Early Redemption:		[Applicable/Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
(i)	Automatic Early Redemption Event:		[ ]
(ii)	Automatic Early Redemption Amount:		[ ] per Calculation Amount
(iii)	Automatic Early Redemption Date:		[ ]

26.	Final Redemption Amount of each Note:	[[ ] per Calculation Amount/s*pecify other*/Not Applicable (*For Index Linked, Equity Linked, FX Linked, Commodity Linked and Fund Linked Redemption Notes and Credit Linked Notes state "Not Applicable" and complete relevant section in paragraphs 28 – 33 below*)]
27.	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on an event of default or on an illegality (or, in the case of Index Linked Notes, following an Index Adjustment Event or Additional Disruption Event in accordance with the Index Linked Conditions or, in the case of Equity Linked Notes following certain corporate events or an Additional Disruption Event in accordance with the Equity Linked Conditions or, in the case of Fund Linked Notes, following a Fund Event and/or the method of calculating the same, or, in the case of Credit Linked Notes, following a Currency Event or Cross Border Disruption Event, if applicable (if required or if different from that set out in Condition 6.5)):	[/Market Value less Associated Costs /*Other*] per Calculation Amount [(*N.B. In the case of Index Linked, Equity Linked, FX Linked, Commodity Linked and Fund Linked Redemption Notes and Credit Linked Notes, consider deducting the cost to the Issuer and/or its Affiliates of unwinding or adjusting any underlying or related funding and/or hedging arrangements in respect of the Notes*)]
28.	Index Linked Redemption Notes:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [The provisions of Annex 1 of the Terms and Conditions – *Additional Terms and Conditions for Index Linked Notes* shall apply.]
	(i) Index/Basket of Indices/ Index Sponsor(s):	[ ] [The [ ] Index is a Designated Multi-Exchange Index]
	(ii) Calculation Agent responsible for making calculations in respect of the Notes:	[ ]
	(iii) Final Redemption Amount:	[ ] per Calculation Amount
	(iv) Averaging:	[The Averaging Dates are [ ].] [In the event that an Averaging Date is a Disrupted Day, [Omission/ Postponement/ Modified Postponement [(Affected Postponement Only)/ (Whole Basket

		Postponement)]] will apply.]
(v)	Futures Price Valuation:	[Applicable/Not Applicable]
(vi)	Index Performance:	[ ]
(vii)	Exchange Rate:	[Applicable/Not Applicable] [*insert details*]
(viii)	Weighting:	[The weighting to be applied to each item comprising the Basket to ascertain the Index Performance is [ ]]. / [Not Applicable] [(*N.B. Only applicable in relation to Index Linked Notes relating to a Basket*)]
(ix)	Exchange(s):	[ ]
(x)	Related Exchange:	[ ]/[All Exchanges]
(xi)	Valuation Date(s):	[ ] [Affected Postponement Only/ Whole Basket Postponement]
(xii)	Valuation Time:	[ ]
(xiii)	Observation Date(s):	[ ]
(xiv)	Observation Period:	[ ]
(xv)	Disrupted Day:	[If a Valuation Date, an Averaging Date or an Observation Date, as the case may be, is a Disrupted Day, the relevant level or price will be calculated [*insert calculation method*]] / [As set out in the Conditions] [(*N.B. Only applicable where provisions in Index Linked Conditions are not appropriate*)]
(xvi)	Trade Date:	[ ]
(xvii)	Additional Disruption Events:	The following Additional Disruption Events apply to the Notes: [Change of Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow Initial Stock Loan Rate: [ ]] [Loss of Stock Borrow

			Maximum Stock Loan Rate: [ ]]
			[Currency Disruption Specified Jurisdiction: [ ]]
	(xviii)	Correction of Index Levels:	[Applicable/ Not Applicable] [Correction Cut-Off Date: [ ]]
	(xix)	Other terms or special conditions:	[ ]
29.	Equity Linked Redemption Notes:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [The provisions of Annex 8 of the Terms and Conditions – *Additional Terms and Conditions for Equity Linked Notes* shall apply.]
	(i)	Underlying Equity / Basket of Underlying Equities:	[ ]
	(ii)	Calculation Agent responsible for making calculations in respect of the Notes:	[ ]
	(iii)	Final Redemption Amount:	[ ] per Calculation Amount
	(iv)	Averaging:	[The Averaging Dates are [ ].] [In the event that an Averaging Date is a Disrupted Day, [Omission/ Postponement/ Modified Postponement [(Affected Postponement Only)/ (Whole Basket Postponement)]] will apply.]
	(v)	Underlying Equity Performance:	[ ]
	(vi)	Exchange Rate:	[Applicable/Not Applicable] [*insert details*]
	(vii)	Weighting:	[The weighting to be applied to each item comprising the Basket to ascertain the Underlying Equity Performance is [ ]]. / [Not Applicable] (*N.B. Only applicable in relation to Equity Linked Notes relating to a Basket*)

(viii)	Exchange(s):	[ ]
(ix)	Related Exchange:	[ ]/[All Exchanges]
(x)	Valuation Date(s):	[ ] [Affected Postponement Only/ Whole Basket Postponement]
(xi)	Valuation Time:	[ ]
(xii)	Observation Date(s):	[ ]
(xiii)	Observation Period:	[ ]
(xiv)	Disrupted Day:	[If a Valuation Date, an Averaging Date or an Observation Date, as the case may be, is a Disrupted Day, the relevant price will be calculated [*insert calculation method*].] / [As set out in the Conditions.] (*N.B. Only applicable where provisions in Equity Linked Conditions are not appropriate*)
(xv)	Potential Adjustment Event:	[Applicable/Not Applicable]
(xvi)	Delisting, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
(xvii)	Tender Offer:	[Applicable/Not Applicable]
(xviii)	Correction of Share Prices:	[Applicable/Not Applicable] [Correction Cut-Off Date: [ ]]
(xix)	Adjustment to Underlying Equities in European Currencies:	[Applicable/Not Applicable]
(xx)	Trade Date:	[ ]
(xxi)	Additional Disruption Events:	The following Additional Disruption Events apply to the Notes: [Change of Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow Initial Stock Loan Rate: [ ]] [Insolvency Filing]

			[Loss of Stock Borrow Maximum Stock Loan Rate: [ ]] [Currency Disruption Specified Jurisdiction: [ ]]
	(xxii)	Other terms or special conditions:	[ ]
30.	FX Linked Redemption Notes:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [The provisions of Annex 2 of the Terms and Conditions – *Additional Terms and Conditions for FX Linked Notes* shall apply.]
	(i)	Base Currency/Subject Currency:	[ ]
	(ii)	Currency Price:	[ ] [(*N.B. Complete only if different from definition contained in Annex 2 of the Terms and Conditions – Additional Terms and Conditions for FX Linked Notes*)]
	(iii)	FX Market Disruption Event(s):	Currency Disruption Event: [Applicable/Not Applicable] [*other*] [(*N.B. Only complete if inconvertibility and/or other disruption events should be included as FX Market Disruption Events*)]
	(iv)	FX Price Source(s):	[ ]
	(v)	Specified Financial Centre(s):	[ ]
	(vi)	Calculation Agent responsible for making calculations in respect of the Notes:	[ ]
	(vii)	Final Redemption Amount:	[ ] per Calculation Amount
	(viii)	Averaging:	Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [ ].]
	(ix)	Valuation Date(s):	[ ]

	(x)	Valuation Time:	[ ]
	(xi)	Weighting:	The weighting to be applied to each item comprising the Basket to ascertain the Currency Price is [ ]. [(*N.B. Only applicable in relation to FX Linked Notes relating to a Basket*)]
	(xii)	Other terms or special conditions:	[ ]
31.	Commodity Linked Redemption Notes:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [The provisions of Annex 3 of the Terms and Conditions – *Additional Terms and Conditions for Commodity Linked Notes* shall apply.]
	(i)	Commodity/Basket of Commodities/Commodity Index/Basket of Commodity Indices:	[ ]
	(ii)	Calculation Agent responsible for making calculations in respect of the Notes:	[ ]
	(iii)	Final Redemption Amount:	[ ] per Calculation Amount
	(iv)	Commodity Reference Price:	[ ]
	(v)	Price Source:	[ ]
	(vi)	Exchange:	[ ]
	(vii)	Delivery Date:	[●] / [Not Applicable] *[specify whether price based on spot market, First Nearby Month, Second Nearby Month, etc.]*
	(viii)	Pricing Date:	[ ]
	(ix)	Common Pricing:	[[Applicable]/[Not Applicable]] [(*N.B. Only applicable in relation to Commodity Linked Notes relating to a Basket*)]
	(x)	Additional Commodity Market Disruption Events:	*[specify any additional Commodity Market Disruption Events]*
		Additional provisions for Commodity Trading	[Not Applicable]

	Disruption:	[*If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption relates*]
	Disruption Fallback(s):	[As set out in Commodity Linked Conditions]/[ ] [Commodity Index Cut-Off Date: [ ]]
(xi)	Commodity Business Day:	[As set out in Commodity Linked Conditions]/[ ]
(xii)	Trade Date:	[ ]
(xiii)	Weighting:	The weighting to be applied to each item comprising the Basket is [ ] [(*N.B. Only applicable in relation to Commodity Linked Notes relating to a Basket*)]
(xiv)	Specified Price:	[high price] [low price] [average of the high price and the low price] [closing price] [opening price] [bid price] [asked price] [average of the bid price and the asked price] [settlement price] [official settlement price] [official price] [morning fixing] [afternoon fixing] [spot price] [*other*]
(xv)	Other terms or special conditions:	[ ]
32.	Fund Linked Redemption Notes:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

[The provisions of Annex 4 of the Terms and Conditions – *Additional Terms and Conditions for Fund Linked Notes* shall apply.]

(i)	Fund/Basket of Funds:	[ ]
(ii)	Fund Interest(s):	[ ]
(iii)	Calculation Agent responsible for making calculation in respect of the Notes:	[ ]
(iv)	Final Redemption Amount:	[ ] per Calculation Amount
(v)	Trade Date:	[ ]
(vi)	Valuation Date(s):	[ ]
(vii)	Valuation Time:	[ ]
(viii)	Other terms or special conditions:	[ ]

33. Credit Linked Notes: [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

[The provisions of Annex 5 of the Terms and Conditions – *Additional Terms and Conditions for Credit Linked Notes* shall apply.]

[The provisions of Annex 7 of the Terms and Conditions – (*Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version*)) shall apply.]

(i)	Final Redemption Amount:	[ ] per [Calculation Amount][unit]
(ii)	Settlement Method:	Auction Settlement/Cash Settlement/Physical Delivery

[*If Physical Delivery*:

The provisions of Annex 6 of the Terms and Conditions – *Additional Terms and Conditions for Physical Delivery Notes* shall apply in addition to Annex 5 of the Terms and Conditions.]

[Any Asset Transfer Notice delivered shall be duly completed and substantially in the form set out in the Annex to these Final Terms.] [*(Only applicable if such Note is represented by a Global Note held through Euroclear or Clearstream, Luxembourg or is in definitive*

		form.)]
		[*(Details of the form of asset transfer or other similar notice for purposes of a Note represented by a Global Note held through DTC or the CMU Service are to be set out in the applicable Final Terms.)*]
(iii)	Trade Date:	[ ]
(iv)	Calculation Agent responsible for making calculations and determinations in respect of the Notes:	[ ]
(v)	Reference Entity(ies):	[ ]
(vi)	[Physical Settlement Matrix:	[Applicable, [for which purpose the Date of the Physical Settlement Matrix is [●]]][Not Applicable] (*if Applicable, specify in relation to each Reference Entity its Transaction Type*) [Physical Settlement Matrix Standard Terms [Applicable/Not applicable]]] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]
(vii)	[Transaction Type:	[Not applicable][*insert in relation to each Reference Entity if item (xiii) applies. (e.g.: 'European Corporate'.)*]] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]
(viii)	[Financial Reference Entity Terms:	[Applicable][Not Applicable]] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]
(ix)	[Subordinated European Insurance Terms:	[Applicable][Not Applicable]] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]
(x)	[Reference Entity Notional Amount:	[specify in respect of each Reference Entity]] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]

(xi)	Reference Obligation(s):	[specify/Standard Reference Obligation [Not] Applicable][Senior Level/Subordinated Level][Sovereign No Asset Package Delivery [Not] Applicable] [(*N.B. if Standard Reference Obligation is applicable delete provisions immediately below in respect of a particular obligation*)] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]
	[The obligation[s] identified as follows:	[ ]
	Primary Obligor:	[ ]
	Guarantor:	[ ]
	Maturity:	[ ]
	Coupon:	[ ]
	CUSIP/ISIN:	[ ]]
(xii)	All Guarantees:	[As per the Physical Settlement Matrix] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)] / [Applicable/Not Applicable] – Provisions relating to Qualifying Guarantee and Underlying Obligation: Credit Linked Condition 16 [Applicable/Not Applicable]
(xiii)	Credit Events:	[As per the Physical Settlement Matrix] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)] / [Bankruptcy] [Failure to Pay] [Grace Period Extension [Applicable/Not Applicable]] [If Applicable: Grace Period: [ ]] [Obligation Default]

[Obligation Acceleration]

[Repudiation/Moratorium]

[Restructuring]

- Provisions relating to Restructuring Credit Event: Credit Linked Condition 13 [Applicable/Not Applicable]
- Provisions relating to Multiple Holder Obligation: Credit Linked Condition 14 [Applicable/Not Applicable]
- [Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable/Not Applicable]]
- [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable/Not Applicable]]
- [Mod R [Applicable/Not Applicable]]

  [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]
- [Mod Mod R [Applicable/Not Applicable]]

  [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]

[Governmental Intervention]

[(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]

[*other*]

Default Requirement: [ ]

Payment Requirement: [ ]

[Sovereign No Asset Package Delivery: [Applicable]/[Not Applicable]]

[(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]

(xiv)	[Credit Event Determination Date:	[Notice of Publicly Available Information [Applicable/Not Applicable]]]
		[(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]
(xv)	Conditions to Settlement:	Notice of Publicly Available Information [Applicable/Not Applicable]
		[*If Applicable*:
		Public Source(s): [ ]
		Specified Number: [ ]]
(xvi)	Obligation(s):	
	Obligation Category	[Payment]
	[*select one only*]:	[Borrowed Money]
		[Reference Obligations Only]
		[Bond]
		[Loan]
		[Bond or Loan]
	Obligation Characteristics	
	[*select all of which apply*]:	[As per the Physical Settlement Matrix] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]
		[Not Subordinated]
		[Credit Linked Specified Currency]:
		[*specify currency*] [Standard Specified Currencies]
		[Not Sovereign Lender]
		[Not Domestic Currency:]
		[Domestic Currency means: [*specify currency*]]
		[Not Domestic Law]
		[Listed]
		[Not Domestic Issuance]

	Additional Obligation(s):	[ ]
	Domestic Currency Notional Amount:	[Not Applicable / [ ]]
(xvii)	Excluded Obligation(s):	[ ]
(xviii)	Whether on satisfaction of Conditions to Settlement redemption of the Notes will be by (a) Cash Settlement, (b) Physical Delivery or (c) Auction Settlement:	Conditions to Settlement - [Cash Settlement/Physical Delivery/Auction Settlement] [If Physical Delivery: The provisions of Annex 6 of the Terms and Conditions – *Additional Terms and Conditions for Physical Delivery Notes* shall apply]
(xix)	Accrual of Interest upon Credit Event:	[Applicable/Not Applicable]
(xx)	Merger Event:	Credit Linked Condition 12 [Applicable/Not Applicable] (*If Applicable*) [Merger Event Redemption Amount: [ ]] [Merger Event Redemption Date:[ ]]
(xxi)	Unwind Costs:	[Standard Unwind Costs/*other*/Not Applicable]
(xxii)	Provisions relating to Monoline Insurer as Reference Entity:	Credit Linked Condition 15 [Applicable/Not Applicable]
(xxiii)	Provisions relating to LPN Reference Entities:	Credit Linked Condition 17 [Applicable/Not Applicable]
Terms relating to Cash Settlement		
(xxiv)	Credit Event Redemption Amount:	[ ] per Calculation Amount
(xxv)	Credit Event Redemption Date:	[ ] Business Days
(xxvi)	Valuation Date:	[Single Valuation Date: [ ] Business Days] [Multiple Valuation Dates: [ ] Business Days; and each [ ] Business Days thereafter Number of Valuation Dates: [ ]]

(xxvii) Valuation Time:	[ ]
(xxviii) Quotation Method:	[Bid/Offer/Mid-market]
(xxix) Quotation Amount:	[[ ]/Representative Amount]
(xxx) [Minimum Quotation Amount:	[ ]]
(xxxi) Quotation Dealers:	[ ]
(xxxii) Quotations:	[Include Accrued Interest/Exclude Accrued Interest]
(xxxiii) Valuation Method:	[Market/Highest]
	[Average Market/Highest/Average Highest]
	[Blended Market/Blended Highest]
	[Average Blended Market/Average Blended Highest]
(xxxiv) Other terms or special conditions:	[ ]

Additional terms relating to Auction Settlement

(xxxv) Fallback Settlement Method:	[Cash Settlement/Physical Delivery]
	[*If Physical Delivery:*
	The provisions of Annex 6 of the Terms and Conditions – *Additional Terms and Conditions for Physical Delivery Notes* shall apply if the Fallback Settlement Method is applicable]
(xxxvi) Business Day Convention:	[Following/Modified Following/Preceding]
(xxxvii) Succession Event Backstop Date subject to adjustment in accordance with Business Day Convention:	[Yes/No]
(xxxviii) Limitation Dates subject to adjustment in accordance with Business Day Convention:	[Yes/No]

Terms relating to Physical Delivery

(xxxix) Physical Settlement Period:	[ ] Business Days
(xl) Accrued Interest on Entitlement:	[Include Accrued Interest/Exclude Accrued Interest]

(xli) Settlement Currency:	[ ]
(xlii) Deliverable Obligations:	
Deliverable Obligation Category [*select one only*]:	[As per the Physical Settlement Matrix] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)] [Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
Deliverable Obligation Characteristics [*select all of which apply*]:	[As per the Physical Settlement Matrix] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)] [Not Subordinated] [Credit Linked Specified Currency: [*specify currency*]] [Standard Specified Currencies] [Not Sovereign Lender] [Not Domestic Currency] [Domestic Currency means: [*specify currency*]] [Not Domestic Law] [Listed] [Not Contingent] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Qualifying Participation Seller: [*insert details*]]

		[Transferable] [Maximum Maturity: [ ]] [Accelerated or Matured] [Not Bearer]
Additional Deliverable Obligation(s):		[ ]
(xliii)	Excluded Deliverable Obligation(s):	[ ]
(xliv)	Indicative Quotations:	[Applicable/Not Applicable]
(xlv)	Cut-Off Date:	[ ]
(xlvi)	Guaranteed Cash Settlement Amount:	[ ]
(xlvii)	Delivery provisions for Entitlement if different from Physical Delivery Note Conditions:	[ ]
(xlviii)	[Reference Obligation Only Termination Amount:	[*specify*][Not applicable]] [(*N.B. to be specified for the purposes of Credit Linked Condition 20 for Reference Obligation Only Notes relating to a single Reference Entity issued pursuant to Annex 7. If Annex 5 applies, this should always be specified as "Not Applicable"*)] [(*Only applicable if Annex 7 of the Terms and Conditions (Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version)) applies*)]
(xlix)	Other terms or special conditions:	[ ]
Terms relating to Credit Linked Notes to which Emerging Market Redemption provisions are applicable		
(l)	Currency Event:	[Applicable/Not Applicable]
(li)	Reference Obligation Disruption Event:	[Applicable/Not Applicable]
(lii)	Tax Disruption Event:	[Applicable/Not Applicable] [*(N.B. These items should be stated as "Applicable" if the relevant provisions in Part B of Annex 5 of the Terms and*

Conditions – Additional Terms and Conditions for Credit Linked Notes are intended to apply.)]

34.	Physical Delivery Notes:		[Applicable/Not Applicable] [(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)] [(*N.B. Not applicable to Credit Linked Notes*)] [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery] [(*If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply*)] [The provisions of Annex 6 of the Terms and Conditions - *Additional Terms and Conditions for Physical Delivery Notes* shall apply.]
	(i)	Relevant Asset(s):	[ ]
	(ii)	Entitlement:	[ ]
	(iii)	Cut-Off Date:	[ ]
	(iv)	Failure to Deliver due to Illiquidity:	[Applicable/Not Applicable]
	(v)	Delivery provisions for Entitlement if different from Physical Delivery Note Conditions:	[ ]
	(vi)	Settlement Business Day:	[ ]
	(vii)	Issuer's option to vary Settlement:	[Applicable/Not Applicable]
	(viii)	Other terms or special Conditions:	[ ]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

35.	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [only upon an Exchange Event]] [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [in the case of Notes held through the CMU Service, from the relevant account holders therein to the CMU Lodging Agent as described therein/ only upon an Exchange Event]]

		[Notes shall not be physically delivered in Belgium except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgium Law of 14 December 2005.] (*Include if notes are to be offered in Belgium*)] *(Ensure that this is consistent with the wording in the "Form of Notes" section in the Base Prospectus and the Notes themselves.)* *(Notes that are determined to be permanently prohibited from being offered, sold, resold, transferred, pledged or delivered to U.S. persons may only be issued in Bearer form.)* [Registered Notes: [Regulation S Global Note (US$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg/held through the CMU Service.]] [Rule 144A Global Note (US$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg/held through the CMU Service.]]]
36.	New Global Note:	[[Yes]/ [No]]
37.	Payment Day:	[Following/Modified Following]
38.	Financial Centre(s) or other special provisions relating to Payment Days:	[ ] (*Note that this item relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which items 16(iii), 18(vi), 20(x), 21(vi) and 22(vii) relate.)* *(Note that a Financial Centre must be specified herein as there is no fallback to London under Condition 5.6).*
39.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No][*If yes, give details*]
40.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*] (*NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*) (*NB: Instalment Notes may not be offered, sold, transferred, pledged or delivered in the United States or to,*

or for the account or benefit of, any U.S. person)

41. Details relating to Instalment Notes:

(i) Instalment Amount(s): [Not Applicable/*give details*]

(ii) Instalment Date(s): [Not Applicable/*give details*]

42. Principal Paying Agent: [Deutsche Bank AG, Hong Kong Branch /Macquarie Bank Limited]

[(*If any of the Global Notes are exchanged for Notes in definitive form, a Singapore paying agent is required by the SGX-ST*)]

43. Other final terms: [Not Applicable/*give details*]

(*When adding any other final terms consideration should be given as to whether such amendments would be acceptable as Final Terms or whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus.*)

[(*Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers.*)]

DISTRIBUTION

44. Method of distribution: [Syndicated/Non-syndicated]

45. (a) If syndicated, [names and addresses]*** of Managers [and underwriting commitments] ***: [Not Applicable/give names, [and addresses and underwriting commitments]***]

(Including 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)***

(b) Date of Subscription Agreement***: [ ]

(c) Stabilising Manager(s) (if any): [Not Applicable/*give name*]

46. If non-syndicated, name [and address]*** of relevant Dealer: [Not Applicable/give Name [and address]***]

47. Total commission and concession:** [ ] per cent. of the Aggregate Nominal Amount**

48. (i) U.S. Selling Restrictions: Reg S. Category [2]/[TEFRA D/TEFRA not applicable]

[Registered Notes offered and sold to QIBs in the United States or to, or for the account or benefit of, U.S. persons

		who are QIBs in private transactions exempt from, or not subject to, the registration requirements of the Securities Act will be treated as "restricted securities" within the meaning of Rule 144 under the Securities Act until the maturity date of such Notes and may consequently only be sold or resold at any time pursuant to Rule 144A or in transactions not subject to registration pursuant to Regulation S.] [(*include for Rule 144A Global Note*)] [Registered Notes sold in offshore transactions to non-U.S. persons outside the United States in reliance on Regulation S may only be reoffered or resold to QIBS in the United States or to, or for the account or benefit of, U.S. Persons who are QIBs pursuant to Rule 144A or in transactions not subject to registration pursuant to Regulation S.] [(*include for Regulation S Global Note*)]
	(ii) Additional requirements, restrictions or qualifications relating to the U.S. Commodity Exchange Act:	[Not Applicable / See Part C of these Final Terms]
49.	Additional U.S. Tax considerations:	[Not Applicable/*give details*] [The Notes are [not] Specified Securities for the purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986.] [Additional information regarding the application of Section 871(m) to the Notes will be available [*provide appropriate contact details or location of such information*].] [As at the date of these Final Terms, the Issuer has not determined whether the Notes are Specified Securities 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 Securities 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. [Additional information regarding the application of Section 871(m) to the Notes will be available [*provide appropriate contact details or location of such information*].]][7] (*The Notes will not be Specified Securities if they (i) are issued prior to January 1, 2021 and provide a return that differs significantly from the return on an investment in the underlying 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 are issued on or after January 1, 2021 and 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, further analysis would be required.*)
50.	Non-exempt Offer:**	[Not Applicable] [An offer of the Notes may be made by the Managers [and [specify names [and addresses] of other

[7] 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.

financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the "**Financial Intermediaries**") other than pursuant to Article 1.4 and/or 3(2) of the Prospectus Regulation in [specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] ("**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"] ("**Offer Period**"). See further Paragraph 4 of Part B below.]

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

51.	Additional selling restrictions:	[Not Applicable/*give details*]
52.	Prohibition of Sales to EEA Retail Investors:	Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [listing on the SGX-ST] of the Notes described herein pursuant to the Structured Note Programme of MBL.

[ADDITIONAL INFORMATION

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, if Notes in definitive form are issued in exchange for Global Notes. The Issuer will announce through the SGX-ST any issue of Notes in definitive form in exchange for Global Notes, including in the announcement all material information on the delivery of the Notes in definitive form, including details of the paying agent in Singapore. The Notes will be traded on the SGX-ST in a minimum board lot size of SGD200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time for as long as the Notes are listed on the SGX-ST.]

(*Include if Notes are listed on the SGX-ST and the rules of the SGX-ST so require. Otherwise, delete this section. Note that if Notes are listed on another exchange similar or alternative restrictions may be applicable.*)

[If a tranche of Notes ("**Relevant Notes**") are "Qualifying Debt Securities", where interest, discount income, prepayment fee, redemption premium or break cost is derived by a person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore,

the tax exemption for "Qualifying Debt Securities" shall not apply if the non-tax-resident person acquires Relevant Notes using funds from that person's operations through the Singapore permanent establishment Any person whose income from any tranche of Notes is not exempt from Singapore tax must declare such income in a return of income under the Income Tax Act, Chapter 134 of Singapore.]

(*Include if Notes are "Qualifying Debt Securities")*

RESPONSIBILITY

[[Subject as provided below,] the Issuer accepts responsibility for the information contained in these Final Terms.] [The information relating to ● [and ●] contained herein has been accurately extracted from [*insert information source(s)* and, so far as the Issuer is aware, no information has been omitted which would render the reproduced information inaccurate or misleading.] The Issuer accepts responsibility for the accuracy of such extraction but accepts no further or other responsibility in respect of such information.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the SGX-ST [with effect from [ ].] [Not Applicable.] (*Where documenting a fungible issue need to indicate that original securities are already admitted to trading*)
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings:	[Not Applicable] [The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert legal names of relevant credit rating agencies).] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer – *amend as appropriate if there are other interests*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus.*)]

4. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	CUSIP:	[ ]
(iv)	CINS:	[ ]
(v)	CFI:	[[See/[[*include code* [*the actual code should only be*

		included where the Issuer has ascertained that it is correct]], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(vi)	FISN:	[[See/[[*include code* [*the actual code should only be included where the Issuer has ascertained that it is correct*]], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(vii)	Any clearing system(s) other than Euroclear, Clearstream Luxembourg and DTC and the relevant identification number(s):]	[CMU Service/Not Applicable/*give name(s) and number(s)*]
(viii)	Delivery:	Delivery [against/free of] payment
(ix)	Names and addresses of initial Paying Agents:	[ ]
(x)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(xi)	Intended to be held in a manner which would allow Eurosystem eligibility.	[Yes][No] [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 registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)][*include this text for registered notes which are to be held under the NSS*] 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 the Eurosystem eligibility criteria have been met.] [*include this text if "yes" selected in which case the Notes must be issued in NGN form*] [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 [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)][*include this text for*

registered notes]. 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 any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*include only if applicable.*]

[The following alternative language applies if the Final Terms relate to Notes that have been determined not to be eligible for offer, sale, resale, transfer, pledge or delivery in the United States or to or for the account or benefit of U.S. persons.]

[PART C – IMPORTANT NOTICE TO PURCHASERS AND TRANSFEREES

The Notes have not been and will not be registered under the Securities Act, and trading in the Notes has not been approved by the CFTC under the CEA. No Notes, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

Offers, sales, resales or deliveries of the Notes, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. In addition, in the absence of relief from the CFTC, offers, sales, resales, transfers, pledges or deliveries of the Notes, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading.

As used herein, "**United States**" 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; and "**U.S. person**" means: (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. persons; or (vii) any other "U.S. person" as such term may be defined in Regulation S under the Securities Act or in regulations adopted under the CEA.

Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions

Each purchaser of the Notes will, by its purchase of the Notes, be deemed to acknowledge, represent and agree as follows:

(a) that trading in the Notes has not been and will not be approved by the CFTC under the CEA;

(b) that it will not at any time offer, sell, resell or deliver, directly or indirectly, any Notes so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;

(c) that it is not purchasing any Notes for the account or benefit of any U.S. person;

(d) that it will not make offers, sales, resales or deliveries of any Notes (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;

(e) that it will send each person who purchases Notes from it a written confirmation (which shall include the definitions of United States and U.S. person set forth herein) stating that the Notes have not been registered under the Securities Act, that trading in the Notes has not been approved by the CFTC under the CEA and stating that such purchaser agrees that it will not at any time offer, sell, resell or

deliver any of such Notes, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person;

(f) that no U.S. person or person in the United States may at any time trade or maintain a position in the Notes; and

(g) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes it will do so only (a) outside the United States in compliance with Rule 903 or 904 under the Securities Act and (b) in accordance with all applicable United States state securities laws.

ANNEX

FORM OF ASSET TRANSFER NOTICE[8]

ASSET TRANSFER NOTICE
MACQUARIE BANK LIMITED
[*Details of relevant Series of Notes*]

When completed, this Notice should be delivered (if the Note to which this Notice relates is represented by a Global Note) in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, to Euroclear or Clearstream, Luxembourg (as applicable) with a copy to the Principal Paying Agent and the Issuer or (if the Note to which this Notice relates is in definitive form) should be delivered in writing with the Note to any Paying Agent with a copy to the Principal Paying Agent and the Issuer, in each case not later than the close of business in each place of reception on the Cut-Off Date.

[To: [Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
B-1210 Brussels
Belgium
Attention: [Custody Processing Department]]

or: [Clearstream Banking, *société anonyme*
42 Avenue JF Kennedy
L-1855
Luxembourg
Attention: [OCE Department]]**[9]

[To: [•]
[•]

or: [**Paying Agent**]
[ ]**[10]

Copy: Macquarie Bank Limited
[Level 6, 50 Martin Place
Sydney NSW 2000
Australia]

* **The Paying Agent with whom any definitive Notes are deposited will not in any circumstances be liable to the depositing Noteholder or any other person for any loss or damage arising from any act, default or omission of such Paying Agent in relation to the said definitive Notes or any of them unless such loss or damage was caused by the fraud or negligence of such Paying Agent or its directors, officers or employees**.

** **Delete as applicable**.

Failure properly to complete and deliver this Notice (in the determination of [[Euroclear/Clearstream, Luxembourg**][8]/[the relevant Paying Agent **][9]] in consultation with the Issuer) may result in this Notice being treated as null and void.

Expressions defined in the terms and conditions of the Notes as amended and/or supplemented by the applicable Final Terms shall bear the same meanings herein.

I/We**, the [Accountholder[9]/Noteholder[9]] specified in 1 below, being the holder of the Notes, request that the Issuer deliver the relevant Entitlement(s) to which I am/we are** entitled in relation to such Notes, all in accordance with the Conditions.

1. Name(s), address(es) and contact telephone number of [Accountholder[9]/Noteholder[9]]

2. Details required for delivery of the relevant Entitlement(s) as set out in applicable Final Terms

3. Name, address and contact telephone number of person from whom details may be obtained for the delivery of the relevant Entitlement if delivery is to be made otherwise than in the manner specified in the applicable Final Terms

[4.] [Nominal amount of Notes subject of this Notice][9]

[5.] [Instructions to Euroclear/Clearstream, Luxembourg

I/We** hereby irrevocably authorise and instruct Euroclear/Clearstream, Luxembourg** to debit the Note(s) referred to above from the Account referred to below on or before the [Maturity Delivery[11]/Credit Settlement] Date.]**

Account

No:

Name:][7]

[6.] Expenses

I/We** hereby irrevocably undertake to pay all Expenses in respect of the relevant Entitlement(s) [and irrevocably authorise Euroclear/Clearstream, Luxembourg** to debit my/our** specified account at Euroclear/Clearstream, Luxembourg** in respect thereof and to pay such Expenses][8]

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8 Any Asset Transfer Notice which is required to be delivered in respect of Physical Delivery Notes (where such Note is represented by a Global Note held through Euroclear or Clearstream, Luxembourg or is in definitive form) is to be substantially in the form set out in this Annex.

9 Include if the Note to which this Notice relates is represented by a Global Note.

10 Include if the Note to which this Notice relates is in definitive form.

11 Include if not Credit Linked Notes.

[7.] **Noteholder's [Euroclear/Clearstream, Luxembourg[**]][8] Account for payment of any cash amount specified in the applicable Final Terms as being payable**

I/We** hereby instruct that any dividends or any other cash amount, specified in the applicable Final Terms payable to me/us[**] shall be credited to the [Euroclear/Clearstream, Luxembourg[**]] Account referred to below.

Account

No:

Name:

[Name and address of bank or institution
at which such Account is held:] [8]

[8.] **Certification of Non-U.S. beneficial ownership**

The undersigned hereby certifies that (i) the beneficial owner of each Note to which this Notice relates is not a ' U.S Person' as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended, which term is deemed to include any person that does not meet the definition of 'Non-United States Person' in Rule 4.7 promulgated by the United States Commodity Futures Trading Commission (the **CFTC**) under the United States Commodity Exchange Act, as amended (the **CEA**) (a **U.S Person**), (ii) the Note to which this Notice relates is not being redeemed within the United States or on behalf of a U.S Person and (iii) 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.

Date

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the 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 relevant Issuer and the relevant Dealer (if any) 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 may specify other terms and conditions (including the Additional Terms and Conditions described below) which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. 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 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.

The Additional Terms and Conditions contained in Annex 1 in the case of Index Linked Notes, Annex 2 in the case of FX Linked Notes, Annex 3 in the case of Commodity Linked Notes, Annex 4 in the case of Fund Linked Notes, Annex 5 in the case of Credit Linked Notes, Annex 6 in the case of Physical Delivery Notes, Annex 8 in the case of Equity Linked Notes (each as defined below) will apply to the Notes if specified in the applicable Final Terms.

Capitalised terms used but not otherwise defined in these Terms and Conditions shall have the meaning given to them in the applicable Additional Terms and Conditions or the applicable Final Terms, as the case may be.

This Note is one of a Series (as defined below) of notes (the "**Notes**") issued by Macquarie Bank Limited ("**MBL**") or such other issuer as may accede to this Structured Note Programme (the "**Programme**") from time to time and be specified in the relevant Final Terms (MBL and such other issuer, each an "**Issuer**") pursuant to and in accordance with the Agency Agreement (as defined below). Where MBL is not the Issuer in respect of a Series of Notes, MBL may, but shall not be obliged to, guarantee the obligations of the Issuer in respect of such Series, if so specified in the applicable Final Terms.

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;

(c) any Notes in bearer form ("**Bearer Notes**"), whether definitive Notes (issued in exchange for a Global Note) or Notes represented by a Global Note in bearer form ("**Bearer Global Notes**"); and

(d) any Notes in registered form ("**Registered Notes**"), whether definitive Notes or Notes represented by a Global Note in registered form ("**Registered Global Notes**").

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of a third amended and restated agency agreement dated 16 August 2019 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and entered into between, *inter alia*, MBL, Deutsche Bank AG, Hong Kong Branch in its capacity as a principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor to Deutsche Bank AG, Hong Kong Branch in its capacity as such), Deutsche Bank AG, London Branch in its capacity as a paying agent (the "**Paying Agent**", which expression shall include any successor paying agent), Deutsche Bank AG, Hong Kong Branch as CMU lodging agent (the "**CMU Lodging Agent**", which expression shall include any successor CMU lodging agent), Deutsche Bank Trust Company Americas as New York paying agent (the

"**New York Paying Agent**", which expression shall include any successor New York paying agent and, together with the Principal Paying Agent, the Paying Agent, the CMU Lodging Agent, the New York Paying Agent and any other paying agents subsequently appointed, the "**Paying Agents**") and any other Agents named therein. The Agency Agreement provides that, if so specified in the applicable Final Terms, MBL may (in its capacity as alternative principal paying agent) act as Principal Paying Agent in respect of the Notes and the term "Principal Paying Agent" as used herein shall be construed accordingly.

The expression "**Agents**" shall include the Paying Agents, and any transfer agent ("**Transfer Agent**"), and any exchange agent ("**Exchange Agent**") and any registrar ("**Registrar**"), successors thereto in such capacity and any additional or substitute agents appointed to the Programme from time to time. MBL shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the Notes as set out below and in the applicable Final Terms unless another entity is so specified as Calculation Agent in the applicable Final Terms; provided that in the event that the Issuer has determined that a Benchmark Disruption Event has occurred, MBL may appoint another person as Calculation Agent. The expression Calculation Agent shall, in relation to the relevant Notes, include any other entity appointed as such by MGL in the applicable Final Terms or pursuant to a Benchmark Disruption Event.

The Agency Agreement provides that, if so specified in the applicable Final Terms, MBL may (in its capacity as alternative registrar) act as Registrar in respect of the Notes and the term "Registrar" as used herein shall be construed accordingly.

Interest bearing definitive Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, 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 repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the "**Terms and Conditions**", or the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the "applicable Final Terms" are to Part A of 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 (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**") dated 6 July 2011 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of the Principal Paying Agent. Copies of the applicable Final Terms are available for viewing at the specified office of the Issuer and each Paying Agent and copies may be obtained from those specified offices save that 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 and the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and 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 these Terms and 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 or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s).

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) (if any) and as indicated in the applicable Final Terms, save that the minimum denomination of each Note will be such 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 Regulation will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notes offered in the United States or to, or for the account or benefit of, U.S. persons who are QIBs (as defined in Condition 2), will be subject to a minimum purchase requirement of U.S.$2,000 (or the equivalent in another Specified Currency) and will be issued in integral denominations of U.S.$1,000 (or the equivalent in another Specified Currency) in excess thereof.

Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*. Unless otherwise specified in the applicable Final Terms, the Bearer Notes will be issued in Classic Global Note ("**CGN**") form.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Equity Linked Interest Note, an FX Linked Interest Note, a Commodity Linked Interest Note, a Fund Linked Interest Note, or a combination of any of the foregoing depending on the Interest Basis specified in the applicable Final Terms.

This Note may be an Instalment Note, a Partly Paid Note, an Index Linked Redemption Note (together with Index Linked Interest Notes, "**Index Linked Notes**"), an Equity Linked Redemption Note (together with Equity Linked Interest Notes, "**Equity Linked Notes**"), an FX Linked Redemption Note (together with FX Linked Interest Notes, "**FX Linked Notes**"), a Commodity Linked Redemption Note (together with Commodity Linked Interest Notes, "**Commodity Linked Notes**"), a Fund Linked Redemption Note (together with Fund Linked Interest Notes, "**Fund Linked**

Notes"), a Credit Linked Note, or a combination of any of the foregoing, depending upon the Redemption/Payment Basis specified in the applicable Final Terms.

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

If the applicable Final Terms specify that the Note is a Physical Delivery Note, being a Note to be redeemed by delivery of the Entitlement, Annex 6 to the Terms and Conditions — *Additional Terms and Conditions for Physical Delivery Notes* shall apply.

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

For so long as any of the Notes are represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), and/or a sub-custodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "**CMU Service**"), each person (other than Euroclear or Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or the CMU Service 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 any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any 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. Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) ("**CMU Accountholders**") and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note.

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

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear, Clearstream, Luxembourg and the CMU Service, as the case may be. References to DTC, Euroclear, Clearstream, Luxembourg and/or the CMU Service 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 or as may otherwise be approved by the Issuer and the Principal Paying Agent.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

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

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Conditions 2.6, 2.7 and 2.8 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe. Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 6, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

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

2.5 Closed periods

No Noteholder may require the transfer of a Registered Note to be registered (a) during the period of 15 days ending on the due date for redemption of that Note, (b) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer at its option pursuant to Condition 6 or (c) after any such Note has been drawn for redemption in whole or in part.

2.6 Transfers of interests in Regulation S Global Notes

Transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

(a) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with (1) any applicable securities laws of any State of the United States or any other jurisdiction and (2) any applicable restrictions on transfer imposed by the CEA as indicated and set out in the applicable Final Terms.

In the case of (a) above, such transferee may take delivery through a Legended Note in global or definitive form.

2.7 Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include

an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with (1) any applicable securities laws of any State of the United States or any other jurisdiction and (2) any applicable restrictions on transfer imposed by the CEA as indicated and set out in the applicable Final Terms.

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

2.8 Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time. Holders of Bearer Notes cannot exchange their Notes for Registered Notes and vice versa.

2.9 Definitions

In this Condition, the following expressions shall have the following meanings:

"**CEA**" means the United States Commodity Exchange Act, as amended;

"**Dealer**" means each of MBL and any other dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in these Conditions 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;

"**Legended Note**" means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a "**Legend**");

"**QIB**" means a qualified institutional buyer within the meaning of Rule 144A;

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Global Note**" means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

"**Rule 144A**" means Rule 144A under the Securities Act;

"**Rule 144A Global Note**" means a Registered Global Note representing Notes sold in the United States or to QIBs; and

"**Securities Act**" means the United States Securities Act of 1933, as amended.

3. STATUS OF THE NOTES

3.1 Status of the Notes

The Notes and any relative Receipts and Coupons are direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank equally among themselves and rank equally (subject to exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and unsecured indebtedness of the Issuer, from time to time outstanding.

MBL is an "authorised deposit-taking institution" ("**ADI**") as that term is defined under the Banking Act 1959 of Australia ("**Banking Act**").

Section 13A of the Banking Act provides that the assets of an ADI in Australia are, in the event of the ADI becoming unable to meet its obligations or suspending payment, available to meet in priority to all other liabilities of that ADI:

(a) first, certain obligations of the ADI to Australian Prudential Regulation Authority ("**APRA**") (if any) arising under the financial claims scheme established by Division 2AA of Part II of the Banking Act in respect of amounts payable by APRA to holders of protected accounts up to a maximum of A$250,000 per holder for all protected accounts held by the holder with the ADI. A "**protected account**" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation;

(b) second, APRA's costs in exercising its powers and performing its functions relating to the ADI in connection with the government guarantee of protected accounts;

(c) third, the ADI's liabilities (if any) in Australia in relation to protected accounts that accountholders keep with the ADI;

(d) fourth, the ADI's debts (if any) to the Reserve Bank of Australia ("**RBA**");

(e) fifth, the ADI's liabilities (if any) under an industry support contract that is certified under section 11CB of the Banking Act; and

(f) sixth, the ADI's other liabilities (if any) in the order of their priority apart from section 13A of the Banking Act.

Under section 16(2) of the Banking Act, certain other debts due to APRA shall in a winding-up of an ADI have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of that ADI. Further, under section 86 of the Reserve Bank Act, debts due by a bank (which includes MBL) to the RBA shall, in a winding-up of that bank, have, subject to section 13A(3) of the Banking Act, priority over all other debts of that bank.

The Notes do not constitute a protected account of, or a deposit with, MBL.

4. INTEREST

4.1 Day Count Fraction

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4:

(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 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 "**Actual/Actual (ISDA)**" 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 (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(d) 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;

(e) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(f) if "**30/360 (ICMA)**" 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;

(g) 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, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30; or

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

In these Terms and 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); 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 Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

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 these Terms and 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.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or, if they are Partly Paid Notes, the aggregate amount paid up; 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.

4.3 Interest on Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, FX Linked Interest Notes, Commodity Linked Interest Notes and Fund Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note, Index Linked Interest Note, Equity Linked Interest Note, FX Linked Interest Note, Commodity Linked Interest Note and Fund Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable (subject to Condition 5.6) in arrear on either:

(i) the Specified Interest Payment Date(s) in each year 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 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 these Terms and 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 4.3(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of III below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in 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.

If "No Adjustment" or "Unadjusted" is specified in connection with a Specified Period/Specified Interest Payment Date in the applicable Final Terms, no adjustment will be made to such Specified Period, notwithstanding that the Specified Interest Payment Date is not, or the Specified Period ends on a day that is not, a Business Day.

In these Terms and Conditions, "**Business Day**" means a day which is both:

I. 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 Business Day Centre (other than TARGET2 System) specified in the applicable Final Terms, or, if no Business Day Centre is so specified, in London;

II. if TARGET2 System is specified as a Business Day Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System ("**TARGET2 System**") is open; and

III. either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (as defined in the applicable Final Terms) (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which TARGET2 System is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, FX Linked Interest Notes, Commodity Linked Interest Notes and Fund Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

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 sub-paragraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) 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 either (i) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone interbank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as 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.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

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, be either:

(A) the offered quotation; or

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Relevant 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 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 (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, provided that the Issuer has not determined that a Benchmark Disruption Event has occurred, the Rate of Interest shall be determined by the Calculation Agent as at the last preceding Interest Determination Date (though substituting, where a different Margin (if any) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin (if any) relating to the relevant Interest Period in place of the Margin (if any) relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms. The Rate Multiplier (if any) will be determined as provided in the applicable Final Terms.

(iii) Fallback Interest Rate

(A) Notwithstanding any other provision under these Terms and Conditions, if the Issuer (acting in good faith and in a commercially reasonable manner) determines that a Benchmark Disruption Event has occurred when any Rate of Interest calculated in accordance with this Condition 4.3 (or the relevant component part thereof) remains to be determined by reference to such Reference Rate affected by the Benchmark Disruption Event, then the following provisions shall apply:

I. if there is a Successor Rate, then the Calculation Agent shall use such Successor Rate in place of the Reference Rate;

II. if there is no Successor Rate, but an Alternative Rate has been determined, the Calculation Agent shall use such Alternative Rate in place of the Reference Rate;

III. the Calculation Agent may:

(a) in respect of a Successor Rate only, where an Adjustment Spread is formally recommended, or provided as an option for parties to adopt (which, in each case, the Independent Adviser or the Issuer (as the case may be), acting in good faith and in a commercially reasonable manner and by reference to sources as it deems appropriate, has determined is required to be adopted to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholder as a result of the replacement of the Reference Rate with the Successor Rate) by any Relevant Nominating Body and such Adjustment Spread has been notified to the Calculation Agent, apply such Adjustment Spread to the Successor Rate for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate; or

(b) in respect of a Successor Rate, where no such Adjustment Spread is formally recommended or provided as an option by any Relevant Nominating Body or, in respect of an Alternative Rate, the Independent Adviser or the Issuer (as the case may be), acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, determines that there is an Adjustment Spread in customary market usage in the international debt capital markets for transactions which reference the Reference Rate, where such Reference Rate has been replaced by the Successor Rate or Alternative Rate (as the case may be), in accordance with the Issuer's written instructions, apply such Adjustment Spread to the Successor Rate or Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate; and

IV. the Independent Adviser or the Issuer (as the case may be) may determine (acting in good faith and in a commercially reasonable manner) in its sole discretion, after consulting any source it deems reasonable, the Business Day Convention, the definitions of Business Day, Day Count Fraction, Relevant Screen Page, Relevant Time, Reference Rate and Interest Determination Date and any other relevant methodology for calculating such Successor Rate or Alternative Rate, including any adjustment factor it determines is needed to make such Successor Rate or Alternative Rate comparable to the relevant Reference Rate, in a manner that is consistent with industry-accepted practices for such Successor Rate or Alternative Rate and shall notify the Calculation Agent of such determination.

(B) Unless otherwise specified in the relevant Final Terms, if:

I. the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates); or

II. the Calculation Agent is unable to use a Successor Rate; or

III. the Independent Adviser or the Issuer is unable to (or in the case of the Issuer, elects not to) determine the Alternative Rate,

in each case, in accordance with the above provisions, the Rate of Interest applicable to the Notes during the next succeeding Interest Period will be the Rate of Interest applicable to the Notes during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate). For the avoidance of doubt, this Condition 4.3(b)(iii)(B) shall apply to the next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in this Condition 4.3.

(C) The Issuer may make any modifications to these Terms and Conditions and/or the Agency Agreement as it may deem necessary or desirable in its sole and absolute discretion to give effect to this Condition 4.3(b)(iii) without any requirement for the consent or approval of the Noteholders or Couponholders (if any).

For the avoidance of doubt and notwithstanding any other provision of this Condition 4.3, in determining any adjustment factor or other relevant methodology for the purposes of Condition 4.3(b)(iii)(A), the Issuer shall not and shall not be obliged to apply and may discount any adjustment factor or methodology the application of which may constitute it an administrator for the purposes of Regulation (EU) 2016/1011.

For the purposes of this Condition 4.3(b):

"**Adjustment Spread**" means either a spread, or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread may in either case be positive, negative or zero and is 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 Noteholder as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative rate for the relevant Interest Period which has been:

(a) determined at the request of the Issuer by the Independent Adviser (acting in good faith and in a commercially reasonable manner) in its sole discretion; or

(b) if the Issuer is unable to appoint an Independent Adviser, then, if it elects to do so, determined by the Issuer (acting in good faith and in a commercially reasonable manner) in its sole discretion,

in each case, after consulting such sources the Independent Adviser or the Issuer (as the case may be) deems reasonable, to be:

(i) the most comparable alternative rate to the relevant Reference Rate; and

(ii) used in place of the Reference Rate in customary market usage in the international debt capital markets, and which has been notified to the Calculation Agent by the Issuer.

"**Benchmark Disruption Event**" means:

(a) the relevant Reference Rate specified in the Final Terms has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(b) the Issuer determines after consulting with the Independent Adviser (if so appointed) that, a change in the generally accepted market practice in the international debt capital markets to refer to a Reference Rate is endorsed in a public statement or publication of information by a Relevant Nominating Body despite the continued existence of the applicable Reference Rate.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser with appropriate expertise in the international debt capital markets, in each case appointed by the Issuer at its own expense.

"**Relevant Nominating Body**" means, in respect of a Reference Rate:

(a) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for administering or supervising the administrator of the Reference Rate; or

(b) 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 Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for administering or supervising the administrator of the Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof.

"**Relevant Time**" means, for purposes of this Condition 4.3(b), (i) in the case of LIBOR, 11.00 a.m. (London time), (ii) in the case of EURIBOR, 11.00 a.m. (Brussels time),

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of 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 specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of 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 Amounts

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest (and, in respect of Condition 4.3(b)(iii), the fallback interest rate or any relevant adjustments) is to be determined, determine the Rate of Interest (and, in respect of Condition 4.3(b)(iii), the fallback interest rate or any relevant adjustments) for the relevant Interest Period. The Calculation Agent will notify the Principal Paying Agent of the Rate of Interest (and, in respect of Condition 4.3(b)(iii), the fallback interest rate or any relevant adjustments) for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period by applying the Rate of Interest (and, in respect of Condition 4.3(b)(iii), the fallback interest rate or any relevant adjustments) to:

(i) in the case of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, FX Linked Interest Notes, Commodity Linked Interest Notes and Fund Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, FX Linked Interest Notes, Commodity Linked Interest Notes and Fund Linked 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 Floating Rate Note, Index Linked Interest Note, Equity Linked Interest Notes, FX Linked Interest Note, Commodity Linked Interest Note and Fund Linked 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. In such case, the Calculation Agent will notify the Principal Paying Agent of the Interest Amount for the relevant Interest Period as soon as practicable after calculating the same.

(e) Notification of Rate of Interest and Interest Amounts

The Calculation Agent will cause the Rate of Interest (and, in respect of Condition 4.3(b)(iii), the fallback interest rate or any relevant adjustments) 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 Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, FX Linked Interest Notes, Commodity Linked Interest Notes and Fund Linked Interest Notes are for the time being listed (as soon as practicable after calculating or determining the same) and the Principal Paying Agent will cause notice thereof to be published in accordance with Condition 13 as soon as possible after notification of the same by the Calculation Agent pursuant to Note Condition 4.3(d)but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified by the Calculation Agent to each stock exchange on which the relevant Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, FX Linked Interest Notes, Commodity Linked Interest Notes and Fund Linked Interest Notes are for the time being listed and by the Principal Paying Agent to the Noteholders in accordance with Condition 13. For the purposes of this paragraph (e), the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(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 4.3, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders,

Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

4.5 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, upon due presentation thereof, payment of principal 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/or all assets deliverable in respect of such Note have been delivered; 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 Principal Paying Agent and/or all assets in respect of such Note have been received by any agent appointed by the Issuer to deliver such assets to Noteholders and notice to that effect has been given to the Noteholders in accordance with Condition 13,

Provided that if Annex 5 of the Terms and Conditions ― *Additional Terms and Conditions for Credit Linked Notes* or Annex 7 of the Terms and Conditions - *Additional Terms and Conditions for Credit Linked Notes (2014 ISDA Credit Derivatives Definitions Version*) apply in respect of the Notes, and:

(i) "**Accrual of Interest upon Credit Event**" is specified as Not Applicable in the applicable Final Terms, each Note shall cease to bear interest from the Interest Payment Date immediately preceding the Event Determination Date, or if the Event Determination Date is an Interest Payment Date such Interest Payment Date or, if the Event Determination Date falls prior to the first Interest Payment Date, no interest shall accrue on the Notes; or

(ii) "**Accrual of Interest upon Credit Event**" is specified as being Applicable in the applicable Final Terms, each Note shall cease to bear interest from the Event Determination Date; and

Provided further that, if:

(A) Credit Linked Condition 6, Credit Linked Condition 7 or Credit Linked Condition 8 applies in respect of the Notes and, in the case of Credit Linked Condition 6, a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of Credit Linked Condition 7, a Failure to Pay has not occurred on or prior to the Grace Period Extension Date or in the case of Credit Linked Condition 8, a Credit Event has not occurred on or prior to the DC Cut-off Date or DC Determination Cut-off Date, as the case may be; and/or

(B) Credit Linked Condition 9 applies in respect of the Notes and an Event Determination Date or the Repudiation/Moratorium Extension Condition, as applicable, has not occurred or are not satisfied on or prior to the Postponed Maturity Date,

then interest will accrue as provided in Credit Linked Condition 6, Credit Linked Condition 7, Credit Linked Condition 8 or Credit Linked Condition 9, as the case may be.

5. PAYMENTS

5.1 Method of payment

In respect of Bearer Notes only, subject as provided below:

(a) payments in a Specified Currency other than euro or U.S. dollars will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(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 or, at the option of the payee, by a euro cheque; and

(c) payments in U.S. dollars will be made by transfer to a U.S. dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 5, 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), or by cheque drawn on a United States bank.

In no event will payment be made by a cheque mailed to an address in the United States.

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 Section 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or 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.

With respect to Notes that provide for net dividend reinvestment in respect of either an underlying U.S. security (i.e. ¸ a security that pays U.S. source dividends) or an index that includes U.S. securities, all payments on the Notes that reference such 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 Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes not held in the CMU Service will (subject as provided below) be made in the manner provided in paragraph 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of

definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Payments of instalments of principal (if any) in respect of definitive Bearer Notes not held in the CMU Service, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form not held in the CMU Service (other than Index Linked Notes, Equity Linked Notes, FX Linked Notes, Commodity Linked Notes, Fund Linked Notes, Credit Linked Notes or 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 ten years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

Upon the date on which any Floating Rate Note, Index Linked Note, Equity Linked Note, FX Linked Note, Commodity Linked Note, Fund Linked Note, Credit Linked Notes or Long Maturity Note in definitive bearer form not held in the CMU Service 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.

In the case of definitive Bearer Notes held in the CMU Service, payment will be made at the direction of the bearer to the CMU Accountholders and such payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date

or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

5.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Bearer Global Note (i) in the case of a Bearer Global Note lodged with the CMU Service, at the direction of the bearer to the CMU Accountholders, or (ii) in the case of a Bearer Global Note not lodged with the CMU Service, against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note (in the case of a Bearer Global Note not lodged with the CMU Service) by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable or (in the case of a Bearer Global Note lodged with the CMU Service) on withdrawal of such Bearer Global Note by the CMU Lodging Agent, and in each such case, such record shall be *prima facie* evidence that the payment in question has been made, and such payment will discharge the obligations of the Issuer.

5.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business, and in respect of Notes clearing through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment may instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business, and in respect of Notes

clearing through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

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

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars unless the participant in DTC with an interest in the Notes has elected to receive any part of such payment in that Specified Currency, in the manner specified in the Agency Agreement and in accordance with the rules and procedures for the time being of DTC.

In the case of Registered Notes (whether or not in global form) held in the CMU Service, payment will be made at the direction of the registered holder to the CMU Accountholders and such payment shall discharge the obligations of the Issuer in respect of that payment.

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

5.5 General provisions applicable to payments

The holder of a Global Note (if the Global Note is not lodged with the CMU Service) or the CMU Accountholder at the direction of the holder of a Global Note (if the Global Note is lodged with the CMU Service) shall be the only person entitled to receive payments or make a claim with respect to 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 or such CMU Accountholder (as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg, DTC or the CMU Service as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, DTC or the CMU Service, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 5, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal

and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(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 Bearer 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.

5.6 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 (i) if "Following" is specified in the applicable Final Terms, the next following Payment Day or (ii), if "Modified Following" is specified in the applicable Final Terms, the next following Payment Day unless that Payment Day falls in the next calendar month, in which case the first preceding Payment Day, in the relevant place and shall not be entitled to further interest or other payment in respect of such delay or amendment. 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 Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;

(b) if TARGET2 System is specified as a Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open;

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(d) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

5.7 Interpretation of principal and interest

Any reference in these Terms and 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) the Failure to Deliver Settlement Price (if any) in respect of the Notes;

(f) the Disruption Cash Settlement Price (if any) in respect of the Notes;

(g) the Credit Event Redemption Amount (if any) in respect of the Notes;

(h) the Partial Cash Settlement Amount (if any) in respect of the Notes;

(i) in relation to Notes redeemable in instalments, the Instalment Amounts;

(j) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.5(c)); and

(k) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and 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.

5.8 Definition of Affiliate

"**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.

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (unless it is a Credit Linked Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date or if the Notes are specified as Physical Delivery Notes in the applicable Final Terms, by delivery of the Entitlement (subject as provided in Annex 6 of the Terms and Conditions – *Additional Terms and Conditions for Physical Delivery Notes*) specified in or determined in the manner specified in the applicable Final Terms on the Maturity Date.

6.2 Redemption for Tax Reasons

If tax gross-up under Condition 7.1 is stated as being applicable in the applicable Final Terms, the Issuer may redeem the Notes, in whole, but not in part, at any time or on any Interest Payment Date (if applicable) at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date fixed for redemption, 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 7.1 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7.1) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent a certificate signed by an authorised officer/person of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and confirming that the Issuer has received an opinion from independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Notice of intention to redeem Notes will be given at least once in accordance with Condition 13 not less than 30 days nor more than 60 days prior to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the effective date of such change or amendment and that at the time notice of such redemption is given, such obligation to pay such additional amounts remains in effect and cannot be avoided by the Issuer's taking reasonable measures available to it. From and after any redemption date, if monies for the redemption of Notes shall have been made available for redemption on such redemption date, such Notes shall cease to bear interest, if applicable, and the only right of the holders of such Notes and any Receipts or Coupons appertaining thereto shall be to receive payment of the Early Redemption Amount and, if appropriate, all unpaid interest accrued to such redemption date.

6.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than (a) the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 13 and (b) not less than 5 days before the giving of the notice referred to in (a), notice to the Principal Paying Agent (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. To the extent the applicable Final Terms does not specify the minimum period and maximum period of notice required under (a) above, the following fallback notice periods shall apply: not less than 7 nor more than 15 days' notice to the Noteholders in accordance with Condition 13. In the case of a partial redemption of 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, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount at their discretion) and/or DTC and/or the CMU Service (as appropriate) 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 10 days prior to the date fixed for redemption. 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 paragraph 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

6.4 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 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. Registered Notes may be redeemed under this Condition 6.4 in any multiple of their lowest Specified Denomination. 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, Clearstream, Luxembourg, DTC and the CMU Service, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6 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 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be 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, Clearstream, Luxembourg, DTC or the CMU Service, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, DTC and the CMU Service (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg, DTC, the CMU Service or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means or notice being given to the CMU Lodging Agent) in a form acceptable to Euroclear and Clearstream, Luxembourg, DTC, the CMU Service and the CMU Lodging Agent from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, DTC and the CMU Service given by a holder of any Note pursuant to this paragraph 6.4 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 paragraph 6.4 and instead to declare such Note forthwith due and payable pursuant to Condition 9.

6.5 Early Redemption Amounts

The Early Redemption Amount shall be calculated by the Calculation Agent (and notified to the Principal Paying Agent) 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;

(b) in the case of a Note (other than a Zero Coupon Note and excluding Notes specified in paragraph (d) below but including an Instalment Note and a Partly Paid 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; or

(c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

where:

"RP" means the Reference Price; and

"AY" means the Accrual Yield expressed as a decimal; and

"y" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms; or

(d) in the case of Index Linked Notes, Commodity Linked Notes, Equity Linked Notes, FX Linked Notes, Fund Linked Notes or Credit Linked Notes, the Early Redemption Amount in respect of each nominal amount of such Notes equal to the Calculation Amount will be set out in the applicable Final Terms.

If "**Market Value less Associated Costs**" is specified as the Early Redemption Amount in the applicable Final Terms the Early Redemption Amount in respect of each nominal amount of Notes equal to the Calculation Amount shall be an amount determined by the Calculation Agent, on (i) in the case of redemption other than pursuant to Condition 9, the second Business Day immediately preceding the due date for the early redemption of the Notes or (ii) in the case of redemption pursuant to Condition 9, the due date for the early redemption of such Notes, which represents the fair market value of such Notes (taking into account all factors which the Calculation Agent

determines relevant) less Associated Costs, and provided that no account shall be taken of the financial condition or creditworthiness of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes.

As used herein:

"**Associated Costs**" means an amount per nominal amount of the Notes equal to the Calculation Amount equal to such Notes' *pro rata* share of the total amount of any and all costs associated or incurred by the Issuer or any Affiliate in connection with such early redemption, including, without limitation, any costs associated with unwinding any funding or other financing relating to the Notes and any costs associated with unwinding or reinstating any hedge positions relating to the Notes, all as determined by the Calculation Agent in its sole discretion.

6.6 Automatic Early Redemption Event

If Automatic Early Redemption is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event as specified in the applicable Final Terms occurs, then the Issuer will give notice to Noteholders in accordance with Condition 13 and the Notes will be redeemed in whole, but not in part, on the Automatic Early Redemption Date as specified in the applicable Final Terms at the Automatic Early Redemption Amount as specified in the applicable Final Terms.

6.7 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 paragraph 6.5 above.

6.8 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the applicable Final Terms.

6.9 Illegality

In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days' notice to Noteholders in accordance with Condition 13 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.10 Force Majeure and Impossibility

If, after giving effect to any applicable fallback provision or remedy specified in these Conditions, the Additional Terms and Conditions or the applicable Final Terms, as the case may be, the Issuer is prevented from performing or hedging its obligations to make a payment or delivery in respect of the Notes as a result of any force majeure, act of state, strike, blockade or similar circumstance or, if the Issuer determines in good faith that it has become impossible or impractical for it to perform or hedge such obligations as a result of any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls (including any event which has the effect of hindering, limiting or restricting the exchange of a relevant currency into the

Specified Currency), the Issuer having given not less than 10 nor more than 30 days' notice to Noteholders in accordance with Condition 13 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.11 Purchases

The Issuer or any of its Affiliates may, but is not obliged to, at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

6.12 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph 6.11 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

6.13 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 paragraphs 6.1, 6.2, 6.3 or 6.4 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 paragraph 6.5(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 Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. TAXATION

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

(a) presented for payment in any Tax Jurisdiction; or

(b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with any Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) issued by MBL acting through its Sydney Branch to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of the holder of the Note being an associate of MBL for the purposes of section 128F(9) of the Australian Tax Act; or

(d) 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 5.6); or

(e) to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note, Receipt or Coupon is presented for payment; or

(f) for, or on account of, (i) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto or (ii) any withholding or deduction required pursuant to Section 871(m) of the Code; or

(g) in such other circumstances as may be specified in the applicable Final Terms.

As used herein:

(i) "**Tax Jurisdiction**" means Australia or any political subdivision thereof or any authority therein having the power to tax and where the relevant Issuer is a branch of MBL established or located outside Australia, the jurisdiction where such branch of MBL is established or located or any political subdivision thereof or any authority therein having the power to tax in that jurisdiction; and

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

7.2 If tax gross up is stated as being not applicable in the applicable Final Terms, all amounts payable in respect of the Notes shall be made subject to withholding taxes imposed by any Tax Jurisdiction, and the Issuer will not be obliged to gross up any payments in respect of the Notes and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. The Issuer may, but is under no obligation to, take steps to mitigate the burden of such tax, duty or withholding applied to the Notes (as deemed appropriate by the Issuer in its sole discretion).

8. PRESCRIPTION

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

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

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

9.1 If any of the events specified below (each an "**Event of Default**") occur, then by notice to the Issuer at the specified office of the Principal Paying Agent, effective upon receipt of such notice by the Principal Paying Agent, (1) in the case of the Event of Default specified in paragraphs (a) or (c) any holder of Notes may declare that all the Notes held by that Noteholder are immediately due and repayable, or (2) in the case of (b), holders of not less than 25 per cent. of the principal amount of Notes of a Series outstanding may declare that all the Notes of that Series are immediately due and repayable. The Events of Default in respect of the Notes are:

(a) **(non-payment or non-delivery)** the Issuer fails to pay any principal or any interest in respect of the Notes or fails to deliver the Entitlement (if applicable) in respect of the Notes, in each case within 30 days of the relevant due date; or

(b) **(other obligations)** the Issuer defaults in performance or observance of or compliance with any of its other obligations set out in the Notes which default is incapable of remedy or, if capable of remedy, is not remedied within 60 Business Days after notice requiring such default to be remedied shall have been given to the Issuer by a Noteholder; or

(c) **(winding-up)** an order is made for the winding-up of the Issuer or a resolution is passed for the winding-up of the Issuer other than for the purposes of a solvent reconstruction or amalgamation and such order shall have remained in force undischarged and unstayed for a period of 30 days.

Upon any such notice being given to the Issuer, such Notes shall immediately become due and payable at their Early Redemption Amount, Provided that, it shall not be an Event of Default under (a) above if the Issuer fails to pay such amount or deliver such Entitlement (if applicable) (i) in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction, (ii) as a result of any act or omission of the relevant clearing system, (iii) as a result of any Noteholder failing to comply with its obligations in respect of the Notes (including, without limitation, to pay any applicable expenses or taxes) or (iv) by reason of force majeure.

10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms

as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS AND CALCULATION AGENT

11.1 Paying Agents

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

The Issuer is entitled to vary or terminate the appointment of any 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 a Principal Paying Agent and, if the Notes are Registered Notes, a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) 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;

(c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and

(d) so long as the Notes are in definitive form and the rules of the SGX-ST require it, there will at all times be a Paying Agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

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

11.2 Calculation Agent

In relation to each issue of Notes, the Calculation Agent (whether it be MBL or another entity appointed by MBL) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Noteholders, Receiptholders or Couponholders. All calculations and determinations made in respect of the Notes by the Calculation Agent shall be in its sole and absolute discretion, in good faith, and shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Paying Agents and the Noteholders, Receiptholders or Couponholders. The Calculation Agent shall promptly notify the Issuer and the Principal Paying Agent upon any such calculations and determinations, and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Paying Agents, 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.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

12. EXCHANGE OF TALONS

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

13. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London or Singapore. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London or in *The Business Times* or *The Strait Times* in Singapore. 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 Bearer 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.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed 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.

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 (i) Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and (ii) the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note and, in addition, in the case of both (i) and (ii) above, 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. Any such notice shall be deemed to have been given to the holders of the Notes on the first day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the persons shown in the relevant CMU Instrument Position Report.

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 Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of

the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC and/or, in the case of Notes lodged with the CMU Service, by delivery by such holder of such notice to the CMU Lodging Agent in Hong Kong, as the case may be, as the case may be, in such manner as the Principal Paying Agent, the Registrar, the CMU Lodging Agent and Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service, 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 the Noteholders holding not less than ten 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 present and holding or representing in the aggregate 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 present 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 Entitlement 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 present and 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 present and 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. Resolutions can be passed in writing if passed unanimously.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons and/or Agency Agreement which is not materially prejudicial to the interests of the relevant Noteholders;

(b) any modification of the Notes, the Receipts, the Coupons and/or the Agency Agreement which is of a formal, technical or administrative nature;

(c) any modification of the Notes and/or the Agency Agreement as the Issuer may deem necessary or desirable to give effect to the provisions contained in Note Condition 4.3(b)(iii); or

(d) is made to correct a manifest or proven error or to comply with mandatory provisions of the law, rules or regulations.

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. The determination of whether any such modification is materially prejudicial to the interests of the Noteholders or, in the case of Note Condition 4.3(b)(iii), necessary or desirable, shall be made in the sole and absolute discretion of the Issuer and

none of the Agents shall have any responsibility or liability whatsoever with respect to such determination.

15. FURTHER ISSUES

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

If the Issuer issues further Notes of the same Series during the initial 40-day restricted period applicable to the outstanding Notes of such Series, then such 40-day period will be extended until 40 days after the later of the commencement of the offering of such further issue of Notes and the Issue Date of such further issue of Notes. In addition, if the Issuer issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated with and form a single Series with the outstanding Notes.

16. CONSOLIDATION OR MERGER

The Issuer may consolidate with, or sell or convey all or substantially all of its assets to, or merge with or into any other company provided that in any such case, (i) either the Issuer shall be the continuing company, or the successor company shall expressly assume the due and punctual payment of all amounts or delivery of all assets, as the case may be, (including additional amounts as provided in Condition 6) payable or deliverable, as applicable, with respect to the Notes, Receipts and Coupons, according to their tenor, and the due and punctual performance and observance of all of the obligations under the Conditions to be performed by the Issuer by an amendment to the Agency Agreement executed by, *inter alios*, such successor company and the Principal Paying Agent, and (ii) immediately after giving effect to such transaction, no Event of Default under Condition 9, and no event which, with notice or lapse of time or both, would become such an Event of Default shall have happened and be continuing. In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor company, such successor company shall succeed to and be substituted for the Issuer, with the same effect as if it had been named herein as the Issuer, and the Issuer, except in the event of a conveyance by way of lease, shall be relieved of any further obligations under the Conditions and the Agency Agreement.

17. 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.

18. SUBSTITUTION OF THE ISSUER

The Issuer, or any previous substituted company may, at any time, without the consent of the Noteholders, substitute for itself as principal obligor under the Notes any company ("**Substitute**"), being the Issuer or any other company, subject to:

(a) the Issuer unconditionally and irrevocably guaranteeing in favour of each Noteholders the performance of all obligations by the Substitute under the Notes;

(b) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Notes represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;

(c) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

(d) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be listed on such stock exchange;

(e) if appropriate, the Substitute shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes; and

(f) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Noteholders in accordance with Condition 13.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

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

19.2 Submission to jurisdiction

In relation to any legal action or proceedings arising out of or in connection with the Notes, Receipts or Coupons ("**Proceedings**"), the courts of England have non-exclusive jurisdiction and the Issuer and the Noteholders, Receiptholders and Couponholders submit to the non-exclusive jurisdiction of the English courts. The Issuer and the Noteholders, Receiptholders and Couponholders waive any objection to Proceedings in the English courts on the grounds of venue or that the Proceedings have been brought in an inconvenient forum.

19.3 Appointment of Process Agent

The Issuer hereby appoints MBL, London Branch, whose registered office is currently at Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom as its agent in England to receive service of process in any Proceedings in England. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent and to notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

MACQUARIE BANK LIMITED

Information about Macquarie Bank Limited

Macquarie Bank Limited ("**MBL**") is headquartered in Sydney, Australia and is an "authorised deposit-taking institution" ("**ADI**") regulated by the Australian Prudential Regulation Authority ("**APRA**"). MBL's expertise covers asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities. MBL acts primarily as an investment intermediary for institutional, corporate, government and retail clients and counterparties around the world, generating income by providing a diversified range of products and services to clients.

MBL began in 1969 as the merchant bank Hill Samuel Australia Limited, a wholly owned subsidiary of Hill Samuel & Co Limited, London. Authority for MBL to conduct banking business in Australia was received from the Australian Federal Treasurer on 28 February 1985.

MBL's ordinary shares were listed on the Australian Securities Exchange operated by ASX Limited ("**ASX**") on 29 July 1996 until the corporate restructuring of the Macquarie Group in November 2007. As part of the restructure MBL became an indirect wholly-owned subsidiary of Macquarie Group Limited (ABN 94 122 169 279) ("**MGL**"), a new ASX listed company comprising a "Banking Group" (consisting of Macquarie B.H. Pty Ltd (the direct parent of MBL) and its controlled entities (including MBL)) and a "Non-Banking Group" (consisting of Macquarie Financial Holdings Limited and its controlled entities). MBL comprises the Banking Group activities of MGL. Although MBL's ordinary shares are no longer listed on ASX, MBL's Macquarie Income Securities continue to be listed on ASX and accordingly, MBL remains subject to the disclosure and other requirements of ASX as they apply to companies with debt securities listed on ASX.

At 31 March 2019, MBL employed over 4,480 people and had total assets of A$169.4 billion, an APRA Basel III Common Equity Tier 1 capital ratio of 11.4%, a Tier 1 capital ratio (at Level 2 regulatory group) of 13.5% and total equity of A$11.2 billion. For the full year ended 31 March 2019, profit after tax attributable to ordinary equity holders of MBL was A$2,022 million.

MBL's registered office is Level 6, 50 Martin Place, Sydney, New South Wales 2000, Australia. MBL's principal administrative office is 50 Martin Place, Sydney, New South Wales 2000, Australia. The telephone number of its principal place of business is +612 8232 3333.

MBL may offer Notes acting through its head office in Sydney or one or more of its branches outside Australia as specified in the applicable Final Terms. MBL (including its branches) is authorised and regulated by the Australian Prudential Regulation Authority.

Notes may be issued by MBL, acting through its London branch at Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom. On 8 August 1994, MBL opened a London Branch. On 21 October 1994, MBL was registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR002678) in England and Wales. MBL, London Branch is an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000 (as amended) and is authorised by the UK Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority (FCA Firm No. 170934).

Notes may also be issued by MBL, acting through its Singapore branch at 9 Straits View, #21-07 Marina One West Tower, Singapore 018937. On 11 February 2011, MBL registered MBL Singapore Branch (Registration No. T11FC0018C) as a foreign company in Singapore. On 14 March 2011, MBL was granted a banking licence to operate a wholesale bank branch with effect from 5 April 2011. MBL Singapore Branch is authorised and regulated by the Monetary Authority of Singapore. In Singapore, MBL Singapore Branch conducts regulated banking business permitted for a wholesale bank branch.

Organisational Structure

The Group comprises three operating groups: Corporate & Asset Finance – Asset Finance (excluding certain activities performed in the Non-Banking Group); Banking & Financial Services and Commodities and Global Markets (excluding certain assets of the Credit Markets business; certain activities of the Cash Equities business and the Commodities Markets and Finance business; and some other less financially significant activities).

The Macquarie Group provides shared services to both the Banking Group and the Non-Banking Group through the Corporate segment. The Corporate segment is not considered an operating group and comprises four central functions: Risk Management, Legal and Governance, Financial Management and Corporate Operations. Shared services include: Risk Management, Finance, Information Technology, Group Treasury, Settlement Services, Equity Markets Operations, Human Resources Services, Business Services, Company Secretarial, Corporate Affairs, Taxation Services, Business Improvement and Strategy Services, Central Executive Services, other Group-wide Services, Business Shared Services, and other services as may be agreed from time to time.

The Group will continue to monitor and review the appropriateness of the Macquarie Group structure, including the provision of shared services. From time to time, the optimal allocation of our businesses between the Banking Group and the Non Banking Group and within the Banking Group and the Non Banking Group may be adjusted and we may make changes in light of relevant factors including business growth, regulatory considerations, market developments and counterparty considerations.

Operating Group Overview

Corporate and Asset Finance

Corporate and Asset Finance – Asset Finance delivers a range of tailored finance solutions globally across a variety of industries and asset classes. Certain activities in Asset Finance are performed in the Non-Banking Group in certain jurisdictions due to local regulation.

Effective 1 September 2019, CAT - Asset Finance will move to Commodities and Global Markets, reflecting a longstanding, shared focus on innovative financing solutions for corporates, some of which are already shared clients.

Banking & Financial Services

Banking & Financial Services comprises the Banking Group's retail banking and financial services businesses, providing a diverse range of personal banking, wealth management, business banking and vehicle finance products and services to retail clients, advisers, brokers and business clients.

Commodities & Global Markets (excluding certain assets of the Credit Markets business; certain activities of the Cash Equities business and the Commodity Markets and Finance business; and some other less financially significant activities)

Commodities & Global Markets provide clients with risk and capital solutions across physical and financial markets. Commodities & Global Markets' diverse platform has evolved over more than 30 years and provides clients with access to markets, financing, financial hedging, research and market analysis and physical execution.

Trend Information

There has been no material adverse change in the prospects of MBL or the Group 31 March 2019.

Profit Estimate

MBL does not make profit forecasts or estimates.

Major Shareholders

As at the date of this Base Prospectus, Macquarie B.H. Pty Ltd (ABN 86 124 071 432) is the sole ordinary shareholder of MBL. Macquarie B.H. Pty Ltd is wholly-owned by MGL.

Litigation

MBL is a subsidiary of MGL. MGL and its controlled entities ("**Macquarie Group**") is a large diversified Australian-based financial institution with a long and successful history. Like any financial institution, Macquarie Group has been subject to legal claims.

As appropriate, the Group makes provisions for, and recognises contingent liabilities in respect of actual and potential claims and proceedings that have not been determined. An assessment of likely losses is made on a case-by-case basis for the purposes of the Group's consolidated financial statements and specific provisions that the Banking Group considers appropriate are made, as described in the Notes to the Group's consolidated financial statements for the year ended 31 March 2018.

Except as disclosed below, there are no, nor have there been, any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which MBL is aware) in the 12 month period prior to the date of this Base Prospectus, which may have or have had a significant effect on the financial position or profitability of MBL or the Group.

Germany

MBL was a lender to a group of independent investment funds in 2011. The funds were trading shares around the dividend payment dates where investors were seeking to obtain the benefit of dividend withholding tax credits. The investors' credit claims were refused and there was no loss to the German revenue in relation to this matter.

With respect to the civil case, two of the investors have already sued the Swiss bank that introduced them to the investment. They and other investors have now sold their claims to a German litigation special purpose vehicle controlled by the same lawyer who acted in the litigation against the Swiss bank. In 2018 that vehicle brought a claim against MBL seeking €30 million in damages. MBL strongly disputes this claim noting that it did not arrange, advise or otherwise engage with the investors, who were high net-worth individuals with their own advisers. Many, if not all, had previously participated in similar transactions.

The Cologne Prosecutor's Office ("**CPO**") is investigating the transaction. Although no current staff members have been interviewed to date, as expected as part of their ongoing investigation, the CPO has formally classified 22 current and former staff members as persons of interest or suspects under German law, including the Macquarie Group CEO and the former Macquarie Group CEO.

The Macquarie Group will continue to cooperate fully with the German authorities. The Macquarie Group notes that it has already resolved two other matters involving German dividend trading that took place between 2006 and 2009, where the authorities noted the Macquarie Group's "unreserved cooperation". The industry-wide investigation relating to dividend trading continues and the Macquarie Group continues to respond to requests for information about its activities in this market. The Group's profits from these activities were not material.

Material Contracts

There are no material contracts that are not entered into in the ordinary course of MBL's business which could result in MBL or any entity within the Group being under an obligation or entitlement that is material to MBL's ability to meet its obligations to Noteholders in respect of the Notes.

Principal investment activity

Since the date of MBL's last published audited financial statements (such date being 31 March 2019), and other than as released to the ASX prior to the date of this Base Prospectus, MBL has not made any principal investments that are material to its ability to meet its obligations to Noteholders in respect of the Notes.

Significant change in MBL's financial position

There has been no significant change in the financial performance or trading position, and no material adverse change in the financial position or prospects, of MBL or the Group since 31 March 2019, being the date as at which the latest published audited annual financial statements of MBL (and MBL consolidated with its controlled entities) were made up.

Credit rating

As at the date of this Base Prospectus, MBL has the following debt ratings for long-term unsubordinated unsecured obligations:

S&P Global Ratings, Inc.: A/Developing;

Moody's Investors Service Limited: A2 / Positive; and

Fitch Ratings Australia Pty Ltd: A / Stable.

Regulatory oversight and recent developments

In Australia, the principal regulators that supervise and regulate the Group's activities are APRA, the Reserve Bank of Australia, ("**RBA**"), the Australian Securities and Investments Commission ("**ASIC**"), the Australian Stock Exchange ("**ASX**"), the ASX (as operator of ASX24 (formerly known as the Sydney Futures Exchange) market) ("**ASX24**"), the Australian Competition and Consumer Commission ("**ACCC**") and the Australian Transaction Reports and Analysis Centre ("**AUSTRAC**").

APRA is the prudential regulator of the Australian financial services industry. APRA establishes and enforces prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by institutions under APRA's supervision are met within a stable, efficient and competitive financial system. MBL is an ADI under the Banking Act and, as such, is subject to prudential regulation and supervision by APRA.

The Banking Act confers wide powers on APRA which are to be exercised ultimately for the protection of depositors of ADIs in Australia and for the promotion of financial system stability in Australia. In particular, APRA has power under the Banking Act (i) to investigate MBL's affairs and/or issue a direction to it (such a direction to comply with a prudential requirement, to conduct an audit, to remove a director or senior manager, to ensure a director or senior manager does not take part in the management or conduct of the business, to appoint a person as a director or senior manager, not to undertake any financial obligation on behalf of any other person among other things), and (ii) if MBL becomes unable to meet its obligations or suspends payment (and in certain other limited circumstances), to appoint a "Banking Act statutory manager" to take control of MBL's business.

In its supervision of MBL and other ADIs, APRA focuses on capital adequacy, liquidity, market risk, credit risk, operational risk, associations with related entities, large exposures to unrelated entities and funds management, securitisation and covered bonds activities. APRA also focuses on the supervision of non-financial risks including outsourcing, business continuity management, information security, governance, accountability, remuneration, culture and conduct. APRA discharges its responsibilities by requiring ADIs to regularly provide it with reports which set forth a broad range of information, including financial and statistical information relating to their financial position and information in respect of prudential and other matters. For instance, following APRA's publication of the Prudential Inquiry into the Commonwealth Bank of Australia, APRA requested a number of regulated financial institutions, including the Macquarie Group, to perform a similar assessment of governance, culture and accountability. The Macquarie Group provided its completed assessment to APRA in December 2018. On 22 May 2019, APRA released a report analysing these self-assessments. In particular, consistent findings identified that non-financial risk management required improvement. Actions arising from the assessments are underway and increased supervisory scrutiny of regulated financial institutions is expected as they implement remediation actions.

In exercising its powers, APRA works closely with the RBA. The RBA is Australia's central bank and an active participant in the financial markets. It also manages Australia's foreign reserves, issues Australian currency notes, serves as a banker to the Australian Government and, through the Payment Systems Board, supervises the payments system and sets the target cash rate.

ASIC is Australia's corporate, markets and financial services regulator, which regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. ASIC is also responsible for consumer protection, monitoring and promoting market integrity and licensing in relation to the Australian financial system and the provision of financial services.

ASX is Australia's primary securities market. The Macquarie Income Securities and MGL's ordinary shares and Macquarie Group Capital Notes are listed on ASX. MBL and MGL each have a contractual obligation to comply with ASX's listing rules, which have the statutory backing of the Corporations Act.

The ACCC is Australia's competition regulator. Its key responsibilities include ensuring that corporations do not act in a way that may have the effect of eliminating or reducing competition and pricing practices, and to oversee product safety and liability issues, pricing practices and third-party access to facilities of national significance. The ACCC's consumer protection activities complement those of Australian state and territory consumer affairs agencies that administer the unfair trading legislation of those jurisdictions.

AUSTRAC is Australia's anti-money laundering and counter-terrorism financing regulator and specialist financial intelligence unit. It works collaboratively with Australian industries and businesses (including certain entities of the Group) in their compliance with anti-money laundering and counter-terrorism financing legislation. As Australia's financial intelligence unit, AUSTRAC contributes to investigative and law enforcement work to combat financial crime and prosecute criminals in Australia and overseas.

Revenue authorities undertake risk reviews and audits as part of their normal activities. MBL has assessed those matters which have been identified in such reviews and audits as well as other taxation claims and litigation, including seeking advice where appropriate, and considers that MBL and the Group currently hold appropriate provisions.

Outside Australia, some of the Group's key regulators include the United States Securities Exchange Commission, the United States Commodity Futures Trading Commission, the United States Financial Industry Regulatory Authority, the United Kingdom Financial Conduct Authority and Prudential Regulation Authority, the Hong Kong Monetary Authority and the Monetary Authority of Singapore.

As with other financial services providers, MBL continues to face increased supervision and regulation in most of the jurisdictions in which it operates, particularly in the areas of funding, liquidity, capital adequacy and prudential regulation.

APRA's prudential supervision – Capital adequacy

APRA's approach to the assessment of an ADI's capital adequacy and liquidity risk management is based on the risk based capital adequacy framework set out in the Basel Committee on Banking Supervisions' ("**Basel Committee**") publications, "*International Convergence of Capital Measurement and Capital Standards a Revised Framework*" ("**Basel II**"), originally released in 2004 and revised in June 2006 and "*A global regulatory framework for more resilient banks and banking systems*" ("**Basel III**"), released in December 2010 and revised in June 2011. APRA's implementation of the Basel III capital framework began on 1 January 2013.

APRA has stipulated a capital adequacy framework that applies to MBL as an ADI and MGL as a non-operating holding company ("**NOHC**") of an ADI. In the case of the Banking Group, this framework is set out in APRA's prudential standards. Pillar 3 Disclosure Documents setting out the qualitative and quantitative disclosures of risk management practices and capital adequacy required to be published by the Banking Group in accordance with APRA's Prudential Standard *APS 330 Capital Adequacy: Public Disclosure of Prudential Information* are posted on the Group's investors' website.

On 7 December 2017, the Basel Committee published its final revisions to the Basel III: Finalising post-crisis reforms. The Basel Committee was seeking to achieve a better balance between simplicity and risk sensitivity, and to promote greater comparability in the risk-based capital approaches by reducing variability in risk-weighted assets across banks and jurisdictions 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; and
- replacing the existing Basel II output floor with a more robust risk-sensitive floor based on the Basel Committee's revised Basel III standardised approaches.

Basel Committee finalises revised minimum capital requirements for market risk

On 14 January 2019, the Basel Committee published a set of revisions to the market risk framework ("*Minimum capital requirements for market risk*"), which replaces an earlier version of the standard as published in January 2016. The standard was revised to address issues that the Basel Committee identified in the course of monitoring the implementation and impact of the framework. The revisions to the January 2016 framework include the following key changes:

- a simplified standardised approach for use by banks that have small or non-complex trading portfolios;
- clarifications on the scope of exposures that are subject to market risk capital requirements;
- refined standardised approach treatments of foreign exchange risk and index instruments;

- revised standardised approach risk weights applicable to general interest rate risk, foreign exchange and certain exposures subject to credit spread risk;
- revisions to the assessment process to determine whether a bank's internal risk management models appropriately reflect the risks of individual trading desks; and
- revisions to the requirements for identification of risk factors that are eligible for internal modeling.

The revised market risk framework will come into effect on 1 January 2022, concurrent with the implementation of the Basel III reforms published in December 2017.

APRA's prudential supervision – Capital adequacy – "unquestionably strong"

Following the Basel Committee's Basel III announcement on 7 December 2017, on 14 February 2018, APRA published two discussion papers on proposed changes to the ADI capital framework and leverage requirements for Australian ADIs. APRA's capital framework discussion paper considered the Basel III reforms and provided insights on how it intends to implement "unquestionably strong" benchmarks. Key revisions proposed included:

- lower risk weights for low loan-to-value mortgage loans, and higher risk weights for interest-only loans and loans for investment purposes, than apply under APRA's current framework;
- amendments to the treatment of exposures to small- to medium-sized enterprises ("**SME**"), including those secured by residential property under the standardised and IRB approaches;
- changes to the loss given default ("**LGD**") estimates applied by ADIs under the foundation IRB approach, including higher LGD estimates for senior unsecured exposures;
- constraints on IRB ADIs' use of their own parameter estimates for particular exposures, and an overall floor on risk weighted assets relative to the standardised approach; and
- a single replacement methodology for the current advanced and standardised approaches to operational risk.

The two discussion papers reinforced APRA's previous guidance. It is uncertain how the ultimate revisions to the capital framework will affect ADIs, and there is a broad range of potential outcomes for each individual bank.

The APRA discussion papers also outlined potential revisions to the leverage ratio requirements for ADIs, including APRA's intention to apply a minimum leverage ratio for ADIs, expressed as the ratio of Tier 1 Capital to total exposures. On 27 November 2018, APRA released its Response to Submissions Paper in relation to the introduction of the leverage ratio requirement for ADIs, and draft revised APS 110. In summary, in response to the submissions APRA proposes to:

- set the minimum leverage ratio requirement for IRB ADIs at 3.5%;
- set the minimum leverage ratio requirement for standardised ADIs at 3%;
- allow standardised ADIs to use AASB, rather than the more complex Basel III methodology, to calculate certain parts of the ratio; and
- require IRB ADIs to largely follow the Basel III methodology to calculate their leverage ratios.

APRA released a third discussion paper on 14 August 2018, which sets out potential options to improve transparency, international comparability and flexibility of the capital framework but are not intended to change the amount of capital that ADIs are required to hold beyond "unquestionably strong" capital benchmarks announced in July 2017.

In its Response to Submissions released on 27 November 2018, APRA proposed that the revisions to the Basel III capital framework, initially outlined in February 2018, will come into effect from 1 January 2022, the internationally agreed implementation date set by the Basel Committee, along with the revised APS 110. APRA had originally proposed an earlier implementation date of 1 January 2021. IRB ADIs will be required to continue publically disclosing their leverage ratios as calculated under the current exposure measure until the revised APS 110 commences.

On 12 June 2019, APRA released its response to the first round of consultation on proposed changes to the capital framework for ADIs. APRA's response details revised capital requirements for residential mortgages, credit risk and operational risk requirements under the standardised approaches, as well as a simplified capital framework for small, less complex ADIs.

APRA's proposals for the loss-absorbing capacity of ADIs

On 8 November 2018, APRA announced proposed changes to the application of the capital adequacy framework for ADIs to support orderly resolution in the event of failure. The announcement follows the Australian government's 2014 Financial System Inquiry which recommended that APRA implement a framework for minimum loss-absorbing and recapitalisation capacity in line with emerging international practice.

The key elements of APRA's proposed approach are:

- a new requirement for ADIs to maintain additional loss absorbency for resolution purposes. The requirement would be implemented by adjusting the amount of total capital that ADIs must maintain, therefore using existing capital instruments (with APRA noting that banks are likely to use mainly Tier 2 capital instruments for cost reasons), rather than introducing new forms of loss-absorbing instruments;

- for the four major Australian banks (being Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, Westpac Banking Corporation and National Australia Bank), an increase in the total capital requirement by 4%-5% of risk weighted assets; and

- for other ADIs that are not domestic systemically important banks ("**D-SIBs**") (such as MBL), the need for additional loss absorbency would be considered as part of resolution planning on an institution-by-institution basis. APRA expects that ADIs that can be resolved without the need for additional financial resources will not be required to meet a higher Total Capital requirement. However, APRA anticipates that a small number of non-D-SIB ADIs may require additional loss absorbency to facilitate resolution, due to their complexity or the nature of their functions.

On 9 July 2019, APRA released its response to submissions on proposed changes to the application of the capital adequacy framework to require additional loss absorbing capacity. APRA announced it would require the major banks to lift Total Capital (as defined in APS 111) by three percentage points of RWA by 1 January 2024. APRA amended its initial proposal in response to concerns raised in a number of submissions about a lack of sufficient market capacity to absorb an extra four to five per cent. of RWA in Tier 2 issuance and the potential to excessively increase bank funding costs. APRA's overall long term target of an additional four to five percentage points of loss absorbing capacity for the four major banks remains unchanged. Over the next four years, APRA will consider the most feasible alternative method of sourcing the remaining one to two percentage points, taking into account the particular characteristics of the Australian financial system.

For ADIs that are not domestic systemically important banks ("**D-SIBs**") (such as MBL), the need for additional loss absorbency will be considered as part of resolution planning on an institution-by-institution basis. Therefore, the effect that these proposed changes will have on the Group is not yet known.

Banking Executive Accountability Regime

In February 2018 the Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Act 2018 was passed by the Australian Parliament introducing a new bank executive accountability regime known as "**BEAR**". The intention behind BEAR is to improve the operating culture of all ADIs and their subsidiaries, introducing transparency and personal accountability into the banking sector. ADIs will have legal obligations to conduct their business with honesty and integrity and to defer the variable remuneration (bonuses) of certain senior executives. With increased powers, APRA is able to investigate potential breaches, penalise ADIs and accountable persons and disqualify persons from the industry for breaching their obligations under the regime. BEAR has applied to large ADIs since 1 July 2018, while smaller and medium sized institutions (including MBL) must be compliant with BEAR by 1 July 2019.

The accountability regime establishes accountability obligations for ADIs, requiring each ADI to take reasonable steps to:

- conduct its business with honesty and integrity, and with due skill, care and diligence;
- deal with APRA in an open, constructive and cooperative way;
- in conducting its business, prevent matters from arising that would adversely affect the ADI's prudential standing or prudential reputation;
- ensure that each of its accountable persons meet his or her accountability obligations; and
- ensure that each of its subsidiaries that is not an ADI complies with the above as if the subsidiary were an ADI.

The accountability obligations for accountable persons, require each accountable person to:

- act with honesty and integrity, and with due skill, care and diligence;
- deal with APRA in an open, constructive and cooperative way; and
- take reasonable steps in conducting their responsibilities as an accountable person to prevent matters from arising that would adversely affect the ADI's prudential standing or prudential reputation.

On 17 October 2018, APRA released an information paper to assist ADIs to meet their obligations under BEAR. BEAR establishes heightened standards of accountability among ADIs and their most senior executives and directors. The information paper outlines APRA's approach to implementing the accountability regime and clarifies APRA's expectation of how an ADI can effectively implement the accountability regime on matters including:

- identifying and registering accountable persons;
- creating and submitting an accountability statement for each accountable person, and an accountability map for the ADI;
- establishing a remuneration policy requiring that a portion of accountable persons' variable remuneration be deferred for a minimum of four years, and reduced commensurate with any failure to meet their obligations; and

- notifying APRA of any accountability-related changes or breaches of accountability obligations.

On 29 June 2019, APRA released a consultation letter on a further proposal to extend the BEAR to incorporate end-to-end responsibility for each product offered by ADIs to its customers.

Royal Commission into misconduct in the banking, superannuation and financial services industry

The Royal Commission was announced in December 2017 and concluded on 1 February 2019. The Royal Commission inquired into the causes of, and responses to, misconduct by financial services entities and conduct falling below community standards and expectations, and held rounds of public hearings on a wide range of matters, including consumer and SME lending, financial advice, superannuation, insurance, culture, governance, remuneration, and the remits of regulators.

The Commission's Final Report published on 4 February 2019 (the "**Final Report**") contains 76 recommendations, including: (i) establishment of a new system for professional discipline for financial advisers and financial services licensees featuring registration, a disciplinary body and conduct reporting requirements; (ii) introduction of statutory best interest duty on mortgage brokers and a phased prohibition on commissions being paid by lenders to mortgage brokers; (iii) the removal of grandfathered arrangements which allow for commissions to continue to be paid to financial advisers who sold financial products prior to the Future of Financial Advice reforms and further review of conflicted remuneration exceptions; (iv) the removal of point of sale exemption in the National Consumer Credit Protection Regulations 2010 which currently allows suppliers of goods or services to establish arrangements with an Australian Credit Licence ("**ACL**") holder and act as loan intermediaries and offer credit products of the ACL holder to purchase those goods or services, without themselves holding an ACL or being appointed as a credit representative of the ACL holder; (v) joint administration of the Bank Executive Accountability Regime ("**BEAR**") by APRA and ASIC, extension of BEAR to all APRA regulated entities, and assignment of accountability for end-to-end management of product design, delivery, maintenance and, where necessary, remediation; (vi) regular ongoing culture reviews by financial services entities into their culture and governance policies and practices, including management of non-financial risks and conduct risks; (vii) a new statutory scheme for sharing information between APRA and ASIC; and (viii) a number of measures to enhance APRA and ASIC's oversight of entities' governance, culture and remuneration frameworks and practices and to improve the effectiveness to deter, investigate and penalise misconduct, including a focus in changing the enforcement culture of regulators, with a presumption of more litigation and pursuit of criminal liabilities.

There is broad bipartisan support on most of the 76 recommendations contained in the Final Report. On 14 February 2019, the Commonwealth Parliament passed a law significantly increasing penalties for corporate and financial sector misconduct and contravention of various corporate legislation. In its response to the Final Report, the Australian federal government has proposed extending BEAR to Australian Financial Services Licence holders and ACL holders, market operators and clearing and settling facilities, as well as to all APRA regulated entities, as recommended. The Royal Commission's recommendations are likely to result in a range of further legislative, regulatory and industry practice changes. Such changes may adversely impact MBL's business, operations, compliance costs, financial performance and prospects. MBL is closely monitoring the governmental, regulatory and industry responses to these recommendations and will participate in public and industry consultations as appropriate.

No findings were made in the Final Report in relation to the Macquarie Group or MBL.

*United States Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank Act**")*

The enactment of the Dodd-Frank Act has resulted in, and will continue to result in, significant changes in the regulation of the U.S. financial services industry, including reforming the financial supervisory and regulatory framework in the United States. In particular, the Dodd-Frank Act amended the commodities and securities laws to create a regulatory regime for swaps and other derivatives, subject to the jurisdiction and regulations of the applicable U.S. regulatory agency, such as the Board of Governors of the Federal Reserve

System ("**FRB**"), the U.S. Securities and Exchange Commission ("**SEC**") and the Commodity Futures Trading Commission ("**CFTC**"). MBL and its U.S. subsidiary Macquarie Energy LLC ("**MELLC**") are provisionally registered as swap dealers with the CFTC and MBL anticipates registering as a security-based swap dealer with the SEC once registration is required. Most of the rules to be adopted by the CFTC, which has jurisdiction over swaps, have been adopted and are effective. To date, the SEC has not implemented many of the Dodd-Frank reforms relating to security-based swaps.

MBL and MELLC's businesses have been or will be affected by a variety of regulations under the Dodd-Frank Act, including but not limited to stricter capital and margin requirements, mandatory execution pursuant to the rules of trading platforms and clearing through derivatives clearing organisations of certain designated types of standardised derivatives, reporting obligations, business conduct requirements, registration and heightened supervision of MBL and MELLC as swap dealers and more stringent and extensive position limits and aggregation requirements on derivatives on certain physical commodities. Pursuant to the CFTC's Comparability Determinations for Australia, MBL's compliance with certain provisions and requirements under the applicable Australian regulatory regimes is sufficient to meet certain CFTC swap dealer requirements.

In 2017, both MBL and MELLC became subject to U.S. variation margin requirements as swap dealers. While MELLC is subject to the CFTC's margin requirements, as a swap dealer that is a foreign bank which does not operate an insured branch, the Commodity Exchange Act designates the FRB as MBL's prudential regulator for swap dealer margin requirements (as well as capital requirements). MBL and MELLC anticipate becoming subject to their respective U.S. initial margin requirements in September 2020. MBL is also subject to margin requirements in other jurisdictions; however, MELLC is only required to comply with the CFTC margin requirements, which APRA has deemed sufficient to fulfill its Australian obligation.

The SEC has jurisdiction over transactions in security-based swaps, which generally include swaps on a single security or a narrow-based index of securities or on a single loan and credit default swaps on a single issuer or issuers of securities in a narrow-based security index. The SEC has proposed or adopted regulations requiring, among other things, registration of security-based swap dealers and compliance with regulations on business conduct, recordkeeping and reporting and other matters. However, compliance with the SEC's rules applicable to security-based swaps is not yet required and the SEC has not publicly finalised a timetable for compliance. MBL expects that it will be required to register as a security-based swap dealer with the SEC at the time that such registration becomes mandatory and that it will thereafter be subject to compliance with SEC and FRB rules regarding security-based swap transactions. The registration and compliance obligations will likely result in increased cost with respect to MBL's security-based swaps business.

Brexit

On 29 March 2017, the United Kingdom invoked Article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the European Union (known as "**Brexit**"). This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the United Kingdom and the European Union (the "**Article 50 Withdrawal Agreement**"). As part of those negotiations, the United Kingdom and the European Union have reached an agreement in principle on a transitional period which would extend the application of EU law and provide for continuing access to the European Union single market until the end of 2020 and possibly longer. However, this agreement will not be binding until the Article 50 Withdrawal Agreement is formally agreed and ratified.

The Article 50 Withdrawal Agreement has not yet been ratified by the United Kingdom or the European Union. The parties have agreed to an extended timeline which allows for ratification to take place any time prior to 31 October 2019. To the extent ratification does take place ahead of 31 October 2019, the United Kingdom would leave on the first day of the month following ratification. However, it remains uncertain whether the Article 50 Withdrawal Agreement, or any alternative agreement, will be finalised and ratified by

the United Kingdom and the European Union ahead of the deadline. If that deadline of 31 October 2019 is not met, unless the negotiation period is further extended or the Article 50 notification revoked, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply to the United Kingdom and the United Kingdom will lose access to the EU single market.

While continuing to discuss the Article 50 Withdrawal Agreement and political declaration, the United Kingdom Government has commenced preparations for a "hard" Brexit (or a "no-deal" Brexit) to minimise the risks for firms and businesses associated with an exit with no transitional period. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018 to ensure that there is a functioning statute book after any exit without a transitional period. The pan-European Union authorities have not proposed a legislative regime similar to those being put in place by the United Kingdom authorities to enable continued access, for a time limited period, for United Kingdom firms in the event of a "hard" Brexit and the loss of passporting rights. Some (but not all) national legislators and regulators have passed or proposed legislation which would enable some continuity of access to clients in their jurisdiction. There is little uniformity as to the scope and approach of such legislation, and the final position in many jurisdictions remains unclear. United Kingdom firms and businesses are being warned to prepare on the basis that access rights into the European Union will be curtailed as of the expiration of the extended timeline.

Due to the ongoing political uncertainty as regards the terms of the United Kingdom's withdrawal from the European Union and the structure of the future relationship, the precise impact on MBL's business is difficult to determine. The Macquarie Group and MBL will continue to monitor developments in relation to Brexit and the impact the United Kingdom's withdrawal from the European Union may have on the Macquarie Group and MBL.

European Union

CRD V and CRR II

On 7 June 2019, a package of proposed amendments to CRD IV / CRR ("**CRD V**" and "**CRR II**", respectively) was published in the Official Journal of the European Union. CRR II and CRD V entered into force on 27 June 2019, with the majority of the provisions of CRR II being applicable from 28 June 2021, and the majority of the provisions of CRD V being applicable from 29 December 2020. The proposals seek to implement some of the remaining aspects of Basel III and reforms which reflect EC findings on the impact of CRD IV on bank financing of the EU economy. Certain aspects of the legislation such as new market risk rules, standardized approach to counterparty risk, details on the leverage ratio and net stable funding requirements and the tightening of the large exposures limit will particularly impact capital requirements. The reforms also introduce a requirement for third-country institutions having significant activities in the EU to have an EU intermediate parent undertaking. The minimum requirement for own funds and eligible liabilities provisions in the CRR have also been amended to bring the requirement in line with the Financial Stability Board's final total loss-absorbing capacity term sheet standards for globally significant institutions.

The final capital framework to be established in the European Union under CRD V/ CRR II differs from Basel III in certain areas. In December 2017, the Basel Committee finalized further changes to the Basel III framework which include amendments to the standardized approaches to credit risk and operational risk and the introduction of a capital floor. These proposals will need to be transposed into EU law before coming into force. The Basel Committee has recommended implementation commencing in 2022, however timing of implementation in the European Union is uncertain.

These and other future changes to capital adequacy and liquidity requirements in the jurisdictions in which it operates, including the implementation of CRDV / CRRII, and Basel III final rules, and certain potential consequences of Brexit may require members of the Group to raise additional capital. If the Group is unable to raise the requisite capital, it may be required to reduce the amount of its risk-weighted assets, which may not occur on a timely basis or achieve prices which would otherwise be attractive to it.

BRRD and BRRD 2

As a result of the EU Bank Recovery and Resolution Directive 2014/59/EU ("**BRRD**") providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms and any relevant national implementing measures, it is possible that certain EU entities or branches of MBL and its controlled entities (such as Macquarie Bank International Limited and MBL, London Branch) and/or certain other EU group companies could be subject to certain resolution actions under relevant national implementations of BRRD. Certain amendments to BRRD may be made as a result of proposals published by the European Commission on 23 November 2016 relating to EU implementation of the Financial Stability Board's total loss-absorbing capacity standard and other reforms ("**BRRD 2**"), including extending the "write down and conversion power" to cover non-own funds MREL-eligible liabilities of entities in a banking group other than the resolution entity.

Other developments

In addition, there have also been a series of industry-led developments, legislative changes and other regulatory releases from regulators in the various jurisdictions in which the Group operates resulting in significant regulatory change for financial institutions, the legal and practical implications of which may not yet be fully understood.

These include:

- further capital reforms for conglomerate banking groups;
- recovery and resolution planning requirements;
- greater regulation of derivatives, particularly over-the-counter ("OTC") derivatives, including the European Market Infrastructure Regulation and the Dodd-Frank reforms, which have resulted in increased reporting and stricter capital and margin requirements, the centralised execution and clearing of standardised OTC derivatives and heightened supervision and required registration of swap dealers and major swap participants;
- the Senior Managers Regime, introduced in response to perceived shortcomings in the behaviour and culture of PRA supervised firms, has been applicable to Macquarie Bank International Limited and the London branch of MBL since March 2016. It clarifies the lines of responsibility at the top of firms, enhances the regulator's ability to hold senior individuals ("**Senior Managers**") accountable and requires regular evaluation of their fitness and propriety. The separate Certification Regime (together with the Senior Managers Regime, the "**Existing SMCR**") requires firms to assess the fitness and propriety of certain employees who could pose a risk of significant harm to the firm or any of its customers. Conduct rules apply to employees of all Existing SMCR firms except those in ancillary service functions such as IT and catering. The Financial Conduct Authority ("**FCA**") published a consultation in July 2017 on extending the Existing SMCR to all FCA regulated firms ("**Extended SMCR**") followed by a related consultation on individual accountability in December 2017. Final rules were published in July 2019 to bring the Extended SMCR into effect on 9 December 2019. The Extended SMCR will apply to all Macquarie Group entities that are regulated solely by the FCA;
- various ASIC developments including (i) new product intervention powers given to ASIC to intervene when a financial product has resulted, will result or is likely to result in significant detriment to retail consumers; (ii) an enhanced supervisory program to help detect cultural failings that lead to conduct problems and breaches of the law, as well as a new enforcement strategy which has seen increased and accelerated court-based enforcement;

- enhanced criminal and civil penalties for corporate misconduct under the Corporations Act of Australia;

- the approval of the revised Australian Bankers' Association Banking Code of Practice (the "**Banking Code**") by ASIC, which sets out the banking industry's key commitments and obligations to customers on standards of practice, disclosure and principles of conduct for their banking services. MBL has subscribed to the Banking Code;

- new laws and regulation relating to data protection and privacy, consumer credit and consumer protection and personal property securities;

- various APRA developments including:

  (i) proposed changes to Prudential Standard APS 220: Credit Quality ("**APS 220**"), which relates to credit risk management processes and procedures;

  (ii) proposed revisions to the related entities framework for ADIs, which is intended to strengthen the ability of ADIs to monitor, limit and control risks arising from associations with their related entities;

  (iii) proposed changes to the application of the capital adequacy framework for ADIs to support orderly resolution in the event of failure, which includes new requirements for (a) ADIs to maintain additional loss absorbency for resolution purposes, and (b) for ADIs that are not domestic systemically important banks ("**D-SIBs**") (such as MBL), the need for additional loss absorbency would be considered as part of resolution planning on an institution-by-institution basis;

  (iv) the introduction of a new Prudential Standard 234: Information Security ("**CPS 234**"), which sets out minimum standards for all APRA-regulated entities relating to information security;

  (v) the introduction of legislation enhancing APRA's crisis management powers, including greater oversight, management and direction powers. Such powers could impact the Group and potentially the position of holders of Notes;

  (vi) a new 'constructively' tough approach to enforcement;

  (vii) acceptance of all recommendations from the APRA Capability Review commissioned by Commonwealth Treasury; and

  (viii) consultation on new Prudential Standard CPS 511 – Remuneration ("CPS 511"), which sets out minimum requirements for the remuneration frameworks of APRA-regulated entities.

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- changes to accounting and reporting requirements, tax legislation, regulation relating to remuneration and superannuation, competition legislation and bribery and anti-money laundering laws.

Further changes may occur driven by policy, prudential or political factors

The Group reviews these changes and releases, engages with government, regulators and industry bodies and amends its systems, processes and operations to align with changes and new regulatory requirements as they occur. Further information on the risk management and other policies of the Group is contained in the

documents incorporated by reference into this Base Prospectus (see "*Documents incorporated by reference*" on pages 56 to 57 (inclusive) of this Base Prospectus).

Documents on Display

Copies of the following documents may be inspected on the internet site, www.macquarie.com:

- constitution of MBL; and
- the annual and financial reports of MBL for each of the two financial years preceding the publication of this Base Prospectus.

Directors of MBL

As at the date of this Base Prospectus the persons named below are the current Voting Directors of MBL under MBL's constitution and exercise the powers of directors for the purposes of the Corporations Act. All members of the Board of Voting Directors of MBL have the business address of Level 6, 50 Martin Place, Sydney, NSW, 2000, Australia. The principal outside activities, where significant, of the Voting Directors of MBL are set out below:

Name of Director	**Position**	**Principal Outside Activities**
Peter H Warne	Chairman	Interim Chairman, New South Wales Treasury Corporation. Director, ASX Limited. Board member, Allens. Member, ASIC Director Advisory Panel, and Macquarie University Faculty of Business and Economics Industry Advisory Board.
Mary J Reemst	Managing Director and Chief Executive Officer	Director, Australian Bankers' Association, Australian Financial Markets Association and the Financial Markets Foundation for Children. Board member, Asylum Seekers Centre Incorporated and Sisters of Charity Foundation. Member, UNE Senior Advisory Group.
Shemara R Wikramanayake	Executive Voting Director	Commissioner, Global Commission on Adaptation. Board member, Institute of International Finance. Member, Climate Finance Leadership Initiative.
Gary R Banks AO	Independent Non-Executive Director	Chairperson, Australian Statistics Advisory Council. Chairman, Regulatory Policy Committee of the Organisation for Economic Co-operation and Development.

Name of Director	Position	Principal Outside Activities
		Member, Advisory Board of the Melbourne Institute, and NSW Government's Economic Development Advisory Panel.
Jillian R Broadbent AC	Independent Non-Executive Director	Chair, Swiss Re Life & Health Australia Limited. Director, Woolworths Group Limited, National Portrait Gallery of Australia, and Sydney Dance Company. Chancellor, University of Wollongong.
Gordon M Cairns	Independent Non-Executive Director	Chairman, Woolworths Group Limited and Origin Energy Limited. Director, World Education Australia Limited.
Philip M Coffey	Independent Non-Executive Director	Director, Lendlease Corporation Limited, and Clean Energy Finance Corporation.
Michael J Coleman	Independent Non-Executive Director	Member, National Board and NSW Council of the Australian Institute of Company Directors (AICD). Chairman, Reporting Committee of the AICD, Planet Ark Environmental Foundation, and Bingo Industries Limited. Board member, Legal Aid NSW.
Diane J Grady AM	Independent Non-Executive Director	Director, Tennis Australia, and Grant Thornton Australia Board. Member, Heads Over Heels Advisory Board and NFP Chairs Forum. Chair, The Hunger Project Australia.
Michael J Hawker AM	Independent Non-Executive Director	Director, BUPA Global Board UK, BUPA ANZ Group and Rugby World Cup Limited. Board member, Museum of Contemporary Art Australia. Lead Independent Director, Washington H. Soul Pattinson and Company Limited.
Glenn R Stevens AC	Independent Non-Executive Director	Director, the Lowy Institute, and the Anika Foundation. Chair, NSW Generations Fund Advisory Board. Member, NWQ Capital Management Investment Committee.

Name of Director	Position	Principal Outside Activities
Nicola M Wakefield Evans	Independent Non-Executive Director	Director, Lendlease Corporation Limited, Lendlease Responsible Entity Limited, O'Connell Street Associates Pty Limited, Chief Executive Women and Clean Energy Finance Corporation. Chair, 30% Club Australia. Member, National Board of the Australian Institute of Company Directors, Takeovers Panel and The University of New South Wales Foundation Limited Board.

Director Independence and Conflicts of Interest

A Voting Director ("**Director**") will be considered independent if not a member of management and if they are free of any interests or relationships that could materially interfere with the director's ability to act in the best interests of MBL and independently of management. The MBL Board believes that independence is evidenced by an ability to constructively challenge and independently contribute to the work of the MBL Board.

The independence of each Non-Executive Director ("**NED**") is considered prior to appointment and then confirmed annually by the MGL Board Governance and Compliance Committee ("**BGCC**"). Prior to the BGCC's consideration of director independence, each NED is asked to declare whether they have any interests or relationships that could materially interfere with his or her ability to act in the best interests of MBL and independently of management ("**Declaration**"). Each NED is also asked to provide information regarding relationships with Macquarie, including relationships of close family members with MBL, for review by the BGCC. A NED will normally be considered independent if they:

- Are not a substantial shareholder of MBL or of a company holding more than five per cent. of MBL's voting stock or an officer of or otherwise associated directly with a shareholder holding more than five per cent. of MBL's voting stock.
- Have not been employed within the last three years in an executive capacity by MBL or another group member or been a director after ceasing to hold any such employment.
- Have not been a partner, director or senior employee of a material professional adviser to MBL and its entities within the last three years.
- Have not had a material business relationship, including as a supplier or customer, within the last three years with MBL or its entities or an officer of, or otherwise associated with, someone with such a relationship.
- Do not have a material contractual relationship with MBL or any of its group entities other than as a director.
- Are not a director of any of MBL's subsidiaries or its responsible entities, other than Macquarie Group Limited and any intermediate holding company.

- Do not have any other interests or relationships (including close family ties with any person who falls within any of the categories described above), that could materially interfere with the director's ability to act in the best interests of MBL and independently of management.

MBL's ten NEDs, being Gary R Banks, Jillian R Broadbent, Gordon M Cairns, Philip M Coffey, Michael J Coleman, Diane J Grady, Michael J Hawker, Glenn R Stevens, Nicola M Wakefield Evans and Peter H Warne, are each considered to be independent.

All Directors are required to disclose any material personal interest in a matter that relates to the affairs of MBL and any conflict or potential conflict of interest upon appointment and then update the MBL Board on an ongoing basis.

MBL has in place procedures that utilise the interests disclosed by Voting Directors to assist in detecting conflicts of interest within MBL. Where a Director has a material personal interest or conflict of interest, the Director will:

- notify the other Directors of their interest in the matter when the conflict arises (unless a standing notice regarding the material personal interest has already been given to the other Directors); and

- not receive the relevant MBL Board paper nor be present whilst the matter that they have an interest in is being considered at a Directors' meeting and subsequently not vote on the matter unless the MBL Board (excluding the relevant MBL Board member) resolves otherwise.

As noted above, all Directors are required to disclose any conflict or potential conflict of interest on an ongoing basis. In respect of conflicts or potential conflicts of interest that may arise in the future, MBL will manage those conflicts in accordance with the Corporations Act, any other applicable law and the other procedures referred to above.

SELECTED FINANCIAL INFORMATION

The additional audited financial information set out below has been extracted from the 2019 annual report of MBL and MBL consolidated with its controlled entities for the financial year ended 31 March 2019.

MBL is required to prepare annual financial statements for itself and itself consolidated with its controlled entities in accordance with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards.

The independent auditor of MBL is PricewaterhouseCoopers, being an Australian partnership ("**PwC Australia**").

PwC Australia has audited the financial statements included in MBL's 2019 annual report for the financial years ended 31 March 2018 and 31 March 2019 in accordance with Australian Auditing Standards. The Independent Auditor's Reports dated 3 May 2019 for the financial year ended 31 March 2019 and dated 4 May 2018 for the financial year ended 31 March 2018 were unqualified.

Limitation on Auditor's Liability

PwC Australia may be able to assert a limitation of liability with respect to claims arising out of its audit report or included in certain documents identified under "*Documents Incorporated by Reference*" on pages 56 to 57 (inclusive) of this Base Prospectus, and elsewhere in this Base Prospectus, to the extent it is subject to the limitations under the Chartered Accountants Australia and New Zealand Scheme (NSW) (the "**Accountants Scheme**") approved by the New South Wales Professional Standards Council pursuant to the Professional Standards Act of 1994 of New South Wales, Australia (the "**Professional Standards Act**").

The Professional Standards Act and the Accountants Scheme may limit the liability of PwC Australia for damages with respect to certain civil claims arising in, or governed by the laws of, New South Wales directly or vicariously from anything done or omitted in the performance of their professional services to the Group, including, without limitation, their audits of the Group's financial statements. PwC Australia's maximum liability under the Accountants Scheme is capped at an amount that depends upon the type of service and the applicable engagement fee for that service, with the lowest such liability cap set at A$2 million (where the claim arises from a service in respect of which the fee is less than A$100,000) and may be up to A$75 million for audit work (where the claim arises from an audit service in respect of which the fee is greater than A$2.5 million or more). The limit does not apply to claims for breach of trust, fraud or dishonesty.

The Professional Standards Act and the Accountants Scheme have not been subject to judicial consideration and, therefore, how the limitations will be applied by courts and the effect of the limitations on the enforcement of foreign judgments is untested.

MBL and its controlled entities

Income Statements for the financial years ended 31 March 2019 and 31 March 2018

	Consolidated 2019	Consolidated 2018	Bank 2019	Bank 2018
	A$m	A$m	A$m	A$m
Interest and similar income				
Effective interest method	4,135	3,942	3,696	3,465
Others	678	415	587	370
Interest and similar expense	(2,835)	(2,513)	(3.016)	(2,659)
Net interest income	1,978	1,844	1,267	1,176
Fee and commission income	1,231	889	544	432
Net trading income	2,526	1,929	1,053	1,242
Net operating lease income	289	243	50	36
Share of net profits of associates and joint ventures	28	25	-	-
Credit impairment (charges)/reversal	(131)	(74)	(38)	4
Other impairment (charges)/reversal	(116)	(38)	-	3
Other operating income and charges	106	184	841	1,113
Net operating income	5,911	5,002	3,717	4,006
Employment expenses	(1,448)	(1,278)	(1,054)	(968)
Brokerage, commission and trading–related expenses	(777)	(616)	(601)	(402)
Occupancy expenses	(117)	(106)	(91)	(83)
Non-salary technology expenses	(167)	(128)	(136)	(101)
Other operating expenses	(1,923)	(1,483)	(1,315)	(1,206)
Total operating expenses	(4,432)	(3,611)	(3,197)	(2,760)
Operating profit from continuing operations before income tax	1,479	1,391	520	1,246
Income tax expense	(394)	(353)	(141)	(152)
Profit from continuing operations after income tax	1,085	1,038	379	(1,094)
Profit from discontinued operations after income tax	956	545	1,252	925
Profit from continuing and discontinued operations after income tax	2,041	1,583	1,631	2,019
Profit attributable to non-controlling interests	(4)	(1)	-	-
Profit attributable to equity holders of	2,037	1,582	1,631	2,019

Macquarie Bank Limited				
Distributions paid or provided for on Macquarie Income Securities	(15)	(14)	-	–
Profit attributable to ordinary equity holders of Macquarie Bank Limited	2,022	1,568	1,631	2,019
From continuing operations	1,066	1,023	379	1,094
From discontinued operations	956	545	1,252	925

MBL and its controlled entities

Statements of Financial Position as at 31 March 2019 and 31 March 2018

	Consolidated 2019	Consolidated 2018	Bank 2019	Bank 2018
	A$m	A$m	A$m	A$m
ASSETS				
Cash and bank balances	**7,693**	7,852	**6,377**	6,648
Cash collateral on securities borrowed and reverse repurchase agreements	**29,148**	28,777	**28,757**	28,437
Trading assets	**17,502**	14,894	**13,960**	11,823
Margin money and settlement assets	**14,496**	13,723	**9,802**	9,108
Derivative assets	**14,090**	12,695	**12,249**	10,668
Financial investments	**5,470**	5,733	**5,315**	5,547
Other assets	**2,105**	3,714	**1,269**	1,337
Loan assets	**73,821**	72,289	**53,940**	49,833
Due from related body corporate entities	**1,522**	1,383	**1,039**	1,212
Due from subsidiaries	**–**	–	**23,894**	27,841
Property, plant and equipment	**2,738**	11,074	**1,317**	1,127
Interests in associates and joint ventures	**219**	727	**48**	432
Intangible assets	**177**	214	**81**	91
Investments in subsidiaries	**–**	–	**5,166**	7,390
Deferred tax assets	**441**	143	**418**	139
Total assets	**169,422**	173,218	**163,632**	161,633
LIABILITIES				
Cash collateral on securities lent and repurchase agreements	**4,216**	5,380	**4,216**	5,380
Trading liabilities	**7,757**	7,938	**8,375**	8,286
Margin money and settlement liabilities	**17,901**	16,575	**15,221**	14,343

Derivative liabilities	**12,523**	11,788	**11,330**	10,043
Deposits	**56,120**	48,371	**56,033**	48,220
Other liabilities	**3,043**	4,481	**1,823**	2,117
Bank borrowings	**1,560**	5,223	**1,167**	2,582
Due to related body corporate entities	**16,791**	13,993	**15,106**	11,830
Due to subsidiaries	**–**	–	**10,116**	10,549
Debt issued	**33,587**	41,524	**26,514**	32,513
Deferred tax liabilities	**134**	586	**46**	114
Total liabilities excluding loan capital	**153,632**	155,859	**149,947**	145,977
Loan capital	**4,550**	4,256	**4,550**	4,256
Total liabilities	**158,182**	160,115	**154,497**	150,233
Net assets	**11,240**	13,103	**9,135**	11,400
EQUITY				
Contributed equity	**7,898**	9,928	**7,785**	9,821
Reserves	**516**	477	**(43)**	(3)
Retained earnings	**2,824**	2,686	**1,393**	1,582
Total capital and reserves attributable to ordinary equity holder of Macquarie Bank Limited	**11,238**	13,091	**9,135**	11,400
Non-controlling interests	**2**	12	**–**	–
Total equity	**11,240**	13,103	**9,135**	11,400

BOOK ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg or the CMU Service (together, the **Clearing Systems***) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer or any dealer or agent takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a **banking organisation** within the meaning of the New York Banking Law, a member of the Federal Reserve System, a **clearing corporation** within the meaning of the New York Uniform Commercial Code and a **clearing agency** registered pursuant to Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of sales and other securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulation subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). The DTC rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTCC can be found at www.dtcc.com and www.dtc.org.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system (**"DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner

entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Terms and Conditions of the Notes*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several

countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

CMU

The CMU Service is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of capital markets instruments ("**CMU Notes**") which are specified in the CMU Reference Manual as capable of being held within the CMU Service.

The CMU Service is only available to CMU Notes issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the services is open to all members of the Hong Kong Capital Markets Association, "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong and other domestic and overseas financial institutions at the discretion of the HKMA.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European clearing systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Notes. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Notes are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest in the Notes through an account with either Euroclear or Clearstream, Luxembourg will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective principal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the New York Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear, Clearstream, Luxembourg and/or the CMU Service will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Notice to Purchasers and Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the New York Registrar, the Principal Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg, Euroclear and the CMU Service and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the New York Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg, Euroclear and the CMU Service have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg, Euroclear and the CMU Service. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents nor any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg, Euroclear and the CMU Service or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

NOTICE TO PURCHASERS AND TRANSFER RESTRICTIONS

The Notes have not been registered under the Securities Act or the securities laws of any state and have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**") or any U.S. state securities authority. Neither the SEC nor any state securities authority in any other jurisdiction has passed upon the accuracy or adequacy of this Base Prospectus. Trading in the Notes has not been approved by the Commodity Futures Trading Commission pursuant to the Commodity Exchange Act, as amended. Any representation to the contrary is unlawful.

As a result of the following restrictions, purchasers of Notes are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each recipient of this Base Prospectus or purchaser of Notes will be deemed to have acknowledged, represented and agreed as follows:

1. It understands that the Notes have not been and will not be registered under the Securities Act or any other applicable securities law and, accordingly, none of the Notes may be offered, sold, transferred, pledged, encumbered or otherwise disposed of unless in accordance with and subject to applicable law and the transfer restrictions described herein.

2. It is either (A) in the case of Notes eligible to be offered and sold in the United States or to or for the account or benefit of U.S. persons, a QIB and purchasing Notes for its own account or solely for the account of one or more accounts for which it acts as a fiduciary or agent, each of which is a QIB, and it acknowledges that it is aware that the seller may rely upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder or (B) it is a purchaser acquiring Notes in an offshore transaction occurring outside the United States within the meaning of Regulation S and that it is not a "U.S. person" (and is not acquiring such Notes for the account or benefit of a U.S. person) within the meaning of Regulation S.

3. It will offer, sell or otherwise transfer Notes it has purchased on its own behalf and on behalf of any account for which it is purchasing the Notes, (a) pursuant to the exemption from the registration requirements of the Securities Act provided by Rule 144A, provided that such Notes are eligible to be offered, sold, resold, pledged or transferred in the United States or to or for the account or benefit of U.S. persons, (b) in a transaction not subject to registration under the Securities Act in reliance on Regulation S, (c) to MBL or any of its subsidiaries, or (d) to a Dealer that is a party to the Fourth Amended and Restated Programme Agreement (the "**Programme Agreement**") dated 16 August 2019, among MBL and the Dealers, as amended or supplemented from time to time. It acknowledges that each Note will contain a legend substantially to the effect of the foregoing paragraph 1 and this paragraph 3 and that the Issuer is under no obligation to remove such legend from any Note, to register the offer and sale of any Note under the Securities Act or to take any other steps to cause any Note to become freely tradable.

4. It understands that any Note sold in reliance on Rule 144A will be treated as "restricted securities" within the meaning of Rule 144 under the Securities Act until the maturity date of such Notes. Accordingly, holders of any Note will only be able to resell Notes in reliance on Rule 144A or Regulation S or to MBL, any of its Affiliates or any of the Dealers.

5. Notwithstanding any other provision contained in this Notice, if the Final Terms in respect of an offering of Notes indicates that such Notes are not eligible to be offered, sold, transferred, pledged, delivered or redeemed, directly or indirectly, in the United States or to or for the account or benefit of U.S. persons, it is deemed to acknowledge, represent and agree in respect of the selling and transfer restrictions under the federal securities and commodities laws of the United States as indicated and set out in such Final Terms.

6. Either (A) it is not a pension, profit-sharing or other employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or a plan subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), it is not purchasing the Notes (or interests therein) on behalf of or with "plan assets" of any such employee benefit plan or plan, and it is not a governmental, church or non-U.S. plan ("**non-ERISA arrangement**") subject to provisions under applicable federal, state, local or non-U.S. laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code ("**similar laws**") or (B) its acquisition, holding and disposition of the Notes (or interests therein) are eligible for exemptive relief under U.S. Department of Labor Prohibited Transaction Class Exemption 96-23, 95-60, 91-38, 90-1 or 84-14, under Section 408(b)(17) of ERISA or Section 4975(d)(20) of the Code, or another applicable exemption or, in the case of a non-ERISA arrangement, its acquisition, holding and disposition of the Notes (or interests therein) will not constitute or result in a violation of the provisions of any similar laws.

7. If it is acquiring any Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

8. Neither this Base Prospectus nor any disclosure document (as defined in the Corporations Act 2001 of Australia ("**Australian Corporations Act**")) in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**") and Notes may not be offered for sale, nor may applications for the sale or purchase of any Notes be invited, in Australia (including an offer or invitation which is received by a person in Australia) and neither this Base Prospectus nor any advertisement or other offering material relating to the Notes may be distributed or published in Australia unless (i) (A) the aggregate amount payable on acceptance of the offer or invitation by each offeree or invitee for the Notes is at least A$500,000 (or its equivalent in another currency, in either case, disregarding amounts, if any, lent by the person offering the Notes or making the invitation or its associates), or (B) the offer or invitation is otherwise an offer or invitation for which no disclosure is required to be made under Parts 6D.2 or 7.9 of the Australian Corporation Act, (ii) the offer, invitation or distribution complies with the conditions of the Australian financial services licence of the person making the offer, invitation or distribution or an applicable exemption from the requirement to hold such licence, (iii) the offer, invitation or distribution complies with all applicable laws and regulations relating to the offer, sale and resale of the Notes in the jurisdiction in which such offer, sale and resale occurs, and (iv) such action does not require any document to be lodged with ASIC.

9. It is not an Offshore Associate (as defined below) and, if it purchases the Notes as part of the primary distribution of the Notes, it will not sell any of the Notes (or any interest in any of the Notes) to any person as part of the primary distribution of the Notes, if, at the time of such sale, its employees directly involved in the sale knew or had reasonable grounds to suspect that, as a result of the sale, such Notes would be acquired (directly or indirectly) by an Offshore Associate (other than in the capacity of a clearing house, custodian, funds manager or responsible entity of an Australian registered managed investment scheme). "Offshore Associate" means an associate (within the meaning of Section 128F(9) of the Income Tax Assessment Act of 1936 of Australia) of MBL that is either a non-resident of Australia that does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia, or a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside Australia. For the avoidance of doubt, if employees of the purchaser directly involved in a sale of Notes do not know or suspect that a person is an associate of MBL, nothing in this paragraph 9 obliges it or its employees to make positive enquiries of that person to confirm that person is not an Offshore Associate.

10. The Issuer, the Dealers and others will rely upon the truth and accuracy of the foregoing and the following acknowledgments, representations and agreements and each purchaser agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by it in

connection with its purchase of Notes are no longer accurate, it shall promptly notify the Issuer and each Dealer through which it purchased any Notes.

In addition, unless otherwise provided in the applicable Final Terms, each initial purchaser of Registered Notes sold in the United States to QIBs, or to or for the account of benefit of, a U.S. person who is a QIB in private transactions exempt from, or not subject to, the registration requirements of the Securities Act will be required to deliver an Investor Representation Letter substantially in the form as made available by the Issuer.

Each purchaser of a Note which qualifies as an Offshore Derivatives Instrument ("**ODI**") (as such term is defined for the purposes of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulation 1995 of India and notifications, circulars, rules and guidelines of the Securities and Exchange Board of India issued from time to time (collectively referred to as the "**FII Regulations**")) will be deemed to have acknowledged, represented and agreed as follows:

1. The ODIs will not be and, to the best of its knowledge, have not been, offered, sold or transferred to (i) a 'person resident in India' (as such term is defined in the Foreign Exchange Management Act, 1999 of India, as may be amended or supplemented from time to time), or (ii) a 'non-resident Indian' (as such term is defined in the Foreign Exchange Management (Deposit) Regulations, 2000 of India, as may be amended or supplemented from time to time), (each a "**Restricted Entity**").

2. The ODIs will not be and, to the best of its knowledge, have not been, offered, sold or transferred to any person/entity whose controller is a Restricted Entity.

   For the purposes of this representation, a "**controller**" means any person or group of persons (acting pursuant to any agreement or understanding (whether formal or informal, written or otherwise)) who (i) is/are entitled to exercise, or control the exercise of a majority or more of the voting power of an entity, (ii) holds or is otherwise entitled to a majority or more of the economic interest in an entity, or (iii) in fact exercises control over an entity.

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

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

3. The ODIs have been and shall be purchased by a principal for its own account and not as an agent, nominee, trustee or representative of any other person and no agreement for the issuance of a back-to-back ODI can be entered into against the ODIs. For the purpose of this paragraph, a "**back-to-back ODI**" shall not include the issue of any ODI issued by a party who has disclosed the terms and parties to such back-to-back ODI in the form and manner prescribed by the Securities and Exchange Board of India pursuant to the FII Regulations (in particular, under Regulation 20A of the FII Regulations).

4. The ODIs have been and shall only be offered to a "person regulated by an appropriate foreign regulatory authority" (as such term and/or requirements relating thereto are defined or otherwise interpreted for the purposes of Regulation 15A of the FII Regulations) (a "**Regulated Entity**").

5. The ODIs have not been and shall not be purchased with the intent of circumventing or otherwise avoiding any requirements applicable under the FII Regulations (including, without limitation, any

restrictions applying to foreign institutional investors in relation to their issuances and/or other dealings in the ODIs with, Restricted Entities and persons/entities who are not Regulated Entities).

6. The ODIs have not been and cannot be sold, transferred, assigned or novated or otherwise disposed of and no back-to-back ODIs may be entered into and no agreement with respect to any of the foregoing may be entered into by the Noteholder nominees, associates or affiliates (each, a "**Transfer**") with, an entity which is a Restricted Entity or an entity which is not a Regulated Entity. For this purpose of this paragraph, a "**back-to-back ODI**" shall not include the issue of any ODI issued by a party who has disclosed the terms and parties to such back-to-back ODI in the form and manner prescribed by the Securities and Exchange Board of India pursuant to the FII Regulations (in particular, under Regulation 20A of the FII Regulations).

7. It will, in the case where it or its nominees, associates or affiliates sell, transfer, assign, novate or otherwise dispose of the ODIs to, or enter into any back-to-back ODIs or enter into an agreement with respect to any of the foregoing with any party:

   (A) provide notice of the selling restrictions to any person to whom a transfer of ODIs was made (the "**Transferee**"); and

   (B) issue a written notice to the Issuer in such form as the Issuer may determine within two (2) Business Days after such transfer.

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

8. The Issuer and its Affiliates are authorised to provide information in their possession regarding the purchaser, its nominees or affiliates, any Transferee and any breach of these representations, warranties, agreements and undertaking to any Indian governmental or regulatory authorities (each an "**Indian Authority**") as the Issuer or its Affiliates reasonably deems necessary or appropriate in order to comply with regulations or requests of such Indian Authority from time to time, including but not limited to disclosures in periodic reportings made by the Issuer or its Affiliates to any Indian Authority.

9. It will and shall procure its nominees or affiliates to, provide the Issuer or its Affiliates (as the case may be) promptly with such additional information that the Issuer or its Affiliates (as the case may be) reasonably deems necessary or appropriate in order to comply with regulations or requests of any Indian Authority from time to time.

10. It acknowledges that non-compliance with, or breach, violation or contravention of, the obligations under these representations, warranties, agreements and undertakings that (including, without limitation, any restrictions with respect to a Transfer) ("**ODI Holder Obligations**") may result in non-compliance with, or breach, violation or contravention of, applicable laws, regulations, governmental orders or directions, regulatory sanctions against the Issuer and/or its Affiliates and cause irreparable harm to the Issuer and/or its Affiliates. Accordingly, it further acknowledges that, in the event of any non-compliance with, or breach, violation or contravention of the ODI Holder Obligations by it, the Issuer and/or its Affiliates may notify the Authority of the breach, violation or contravention and exercise any rights and take any measures available to the Issuer and/or its Affiliates under the terms of the ODIs including these Indian selling restrictions, or any other measures to prevent, avoid, mitigate, remedy or cure such non-compliance, breach, violation or contravention, including but not limited to termination or compulsory redemption of the ODIs by the Issuer or its Affiliates.

11. It will promptly notify the Issuer or its Affiliates should any of the representations, warranties, agreements and undertakings given by it change or no longer hold true.

SUBSCRIPTION AND SALE

Pursuant to the Fourth Amended and Restated Programme Agreement dated 16 August 2019 (the "**Programme Agreement**"), the Notes may be offered on a continuing basis through the persons that are appointed as dealers in respect of the Programme (the "**Dealers**"). However, MBL reserves the right to sell Notes directly on its own behalf to parties other than the Dealers on terms as it may agree from time to time.

MBL will have the sole right to accept any offer made to it to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part. Each Dealer shall have the right, in its discretion reasonably exercised, to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part. In the Programme Agreement, MBL has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment 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.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions outside Australia and on a market operated outside Australia that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under U.K. laws and regulations stabilising activities may only be carried on by the Stabilising Manager named in the applicable Final Terms (or persons acting on its behalf) and only for a limited period following the Issue Date of the relevant Tranche of Notes. Stabilising activities carried out in any other jurisdiction outside Australia must be limited to the extent permitted and be in compliance with local legal and regulatory requirements.

In connection with an offering of Registered Notes in the United States purchased by one or more dealers or agents as principal on a fixed offering price basis, such agent(s) will be permitted to over-allot or engage in transactions that stabilise the price of such Registered Notes. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of such Registered Notes. If the agent creates or the agents create, as the case may be, a short position in the Registered Notes, that is, if it sells or they sell the Registered Notes in an aggregate principal amount exceeding that set forth in the applicable Final Terms, such agent(s) may reduce that short position by purchasing the Registered Notes in the open market. In general, purchase of Registered Notes for the purpose of stabilisation or to reduce a short position could cause the price of the Registered Notes to be higher than it might be in the absence of such purchases. Such stabilisation, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilisation, if any, will be in compliance with all laws.

Stabilisation activities may only be carried on outside Australia and on a financial market operated outside Australia. No action has been or will be taken by the Issuer that would permit a public offering of any Notes or possession or distribution of any offering material in relation to any Notes in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Notes, or distribution of any offering material relating to any Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

Selling Restrictions

GENERAL

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes, and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Base Prospectus, any Final Terms, circular, advertisement or other offering material relating to the Notes in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

Neither the Issuer nor any Dealer represents that any 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.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

In addition and unless the applicable Final Terms provides otherwise, each Dealer has agreed that, in connection with the primary distribution of the Notes, it will not sell Notes to any person if, at the time of such sale, the employees of the Dealer aware of, or involved in, the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by an associate of MBL for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 (as amended) of Australia ("**Australian Tax Act**") and associated regulations and, where applicable, any replacement legislation including, but not limited to, the Income Tax Assessment Act 1997 of Australia, except as permitted by section 128F(5) of the Australian Tax Act.

This Base Prospectus has not been, nor will be, lodged with the Australian Securities and Investments Commission (the "**ASIC**") and is not a 'prospectus' or other 'disclosure document' for the purposes of the Corporations Act 2001 of Australia (the "**Corporations Act**").

Except for registration of this Base Prospectus by the SGX-ST for the purposes of listing Notes on the SGX-ST, no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Base Prospectus comes are required by MBL and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of any Notes under the law and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither MBL nor any Dealer shall have responsibility therefor. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in MBL being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in Australia, the United States of America, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, South Korea, the People's Republic of China and Taiwan as set out below.

AUSTRALIA

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been, or will be, lodged with ASIC. Neither this Base Prospectus, nor any other prospectus or disclosure document in respect of the Programme is a 'prospectus' or other 'disclosure document' for the purposes of the Corporations Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the applicable Final Terms otherwise provides, it:

(a) (i) has not (directly or indirectly) offered, and will not offer for issue or sale and (ii) has not invited, and will not invite applications, for issue or offer to purchase any Notes (in each case) in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, the Base Prospectus or any other offering material or advertisement relating to any Notes in Australia,

unless (i) the aggregate consideration payable by each offeree is at least AUD 500,000 (or its equivalent in other currencies and, in either case, disregarding moneys lent by the Issuer, the offeror or any associated person of the offeror or issuer) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, (ii) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act), (iii) the offer or invitation is not made to a person who is a "retail client" for the purposes of section 761G of the Corporations Act, and (iv) such action does not require any document to be lodged with ASIC.

THE UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**") or under any securities laws of any state or jurisdiction of the United States of America (the "**United States**" or "**U.S.**") and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only (a) outside the United States to persons other than U.S. persons as defined in Regulation S in offshore transactions in reliance on, and in compliance with, Regulation S and (b) in the United States to a limited number of QIBs within the meaning of Rule 144A in private transactions exempt from, or not subject to, the registration requirements of the Securities Act. In addition, certain Notes may not at any time be offered, sold, transferred, pledged, delivered or redeemed, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Each initial QIB purchaser purchasing Registered Notes in the United States in a private transaction exempt from, or not subject to, the registration requirements of the Securities Act must execute an Investor Representation Letter substantially in the form as provided by the Issuer. Terms used in this paragraph have the meanings given to them by Regulation S.

Any Registered Note sold in reliance on Rule 144A will be treated as "restricted securities" within the meaning of Rule 144 under the Securities Act until the maturity date of such Notes. Accordingly, holders of any Note will only be able to resell Notes in reliance on Rule 144A or Regulation S or to MBL, any of its Affiliates or any of the Dealers.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations promulgated thereunder.

In connection with any Notes which are offered or sold outside the United States in reliance on the exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Notes**"), each Dealer has represented, and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons other than in accordance with Rule 144A. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to any other Dealer to which it sells any Regulation S Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S 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.

In addition 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.

EUROPEAN ECONOMIC AREA

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. 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 (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression "**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 for the Notes.

THE 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 which have 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 as 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 Financial Services and Markets Act 2000 (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 those Notes in circumstances in which section 21(1) of the FSMA would not, if MBL was not an authorised person, apply to MBL; 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 any Notes in, from or otherwise involving the United Kingdom.

HONG KONG

Each Dealer has represented and agreed, 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.

SINGAPORE

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will represent and agree, that this Base Prospectus has not been registered as a prospectus with the MAS. 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 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 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 which 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 derivatives 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 of Singapore.

Notification under Section 309B(1)(c) of the SFA: Unless otherwise stated in the Final Terms of the Notes 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).

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.

SOUTH KOREA

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in the Republic of Korea ("**Korea**").

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be offered, delivered or sold directly or indirectly in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Law passed by the Korea National Assembly on 18 January 2009 and promulgated on 30 January 2009 as last amended on 17 January 2017 with effect from 18 July 2017) or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations.

Each Dealer has undertaken and each further Dealer appointed under the Programme will be required to undertake to ensure that any securities dealer to which it sells any Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

PEOPLE'S REPUBLIC OF CHINA

This Base Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any Notes in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the "**PRC**") to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Notes may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly (i) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the PRC, or (ii) to any person within the PRC other than in full compliance with the relevant laws and regulations of the PRC, including but not limited to the PRC Securities Law, the Company Law and/or The Provisional Administrative Measures on Derivatives Business of Financial Institutions (as amended). Neither this Base Prospectus nor any material or information contained or incorporated by reference herein relating to the Programme or any advertisement or other offering material, in each case which have not been and will not be submitted to or approved/verified by or registered with the China Securities Regulatory Commission or other relevant governmental authorities in the PRC, may be distributed or published in the PRC or used in connection with any offer for the subscription, purchase or sale of the Notes except in circumstances that will result in compliance with all applicable laws and regulations.

PRC investors are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, those which may be required by the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC laws and regulations, including, but not limited to, all relevant foreign exchange regulations and/or securities investment regulations.

The Issuer does 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 PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution of 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 or any other document.

TAIWAN

The Notes, if listed on the Taipei Exchange for sale to professional or general investors in Taiwan, may be sold in Taiwan to all professional or general investors, as applicable, or, if not listed in Taiwan, the Notes may be made available only (i) to investors in Taiwan through licensed Taiwan financial institutions to the extent permitted under relevant Taiwan laws and regulations; (ii) to the Offshore Banking Units of Taiwan banks purchasing the Notes for their proprietary account, in trust for their non-Taiwan trust clients or for purposes of on-sale to qualified Taiwan investors; (iii) to the Offshore Securities Units of Taiwan securities firms purchasing the Notes for their proprietary account, in trust for their trust clients, as agent for their brokerage clients or for purposes of on-sale to qualified Taiwan investors; (iv) to the Offshore Insurance Units of Taiwan insurance companies purchasing the Notes for their proprietary account or in connection with the issuance of investment linked insurance policies to non-Taiwan policy holders; or (v) outside of Taiwan to Taiwan resident investors for purchase by such investors outside of Taiwan, but are not permitted to otherwise be offered or sold in Taiwan.

CHANGES TO THESE SELLING RESTRICTIONS

These selling restrictions may be changed by the Issuer and a Dealer including following a change in, or clarification of, a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country or jurisdiction concerned or any change in or introduction of any of them or in their interpretation or

administration. Any change will be set out in the applicable Final Terms issued in respect of the Notes to which it relates.

Persons into whose hands this Base Prospectus comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell, transfer or deliver Notes or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale, transfer or delivery by them of any Notes under the law and regulations in force in any country or jurisdiction to which they are subject or in which they make such purchases, offers, sales, transfers or deliveries, in all cases at their own expense, and neither Issuer nor any Dealer shall have responsibility therefor. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in either Issuer being obliged to register this Base Prospectus or any further prospectus or corresponding document relating to the Notes in such country or jurisdiction.

TAXATION

Australian Taxation

*The following is a general summary of certain Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, "**Australian Tax Act**"), the Taxation Administration Act 1953 of Australia and any relevant regulations, rulings or judicial or administrative pronouncements, at the date of this Base Prospectus, of payments of interest and certain other amounts on the Notes to be issued by the Issuer under the Programme and certain other matters.*

This taxation summary is not exhaustive and should be treated with appropriate caution. In particular, the taxation summary does not deal with the position of certain classes of Noteholders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of other persons). Prospective Noteholders should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that and other Series of Notes.

This summary is not intended to be, nor should it be construed as legal or tax advice to any particular investor. Prospective holders of Notes should consult their professional advisers on the taxation implications of an investment in the Notes for their particular circumstances.

The Notes may be issued by MBL acting through its Head Office in Sydney ("**MBL Head Office**") or through any of its branches outside of Australia as specified in the relevant Final Terms ("**MBL Foreign Branch**"). There may be different Australian tax consequences depending upon whether the Notes are issued by MBL Head Office, by an MBL Foreign Branch or by another entity.

1. Introduction

The following is a summary of the Australian withholding taxes that could apply in relation to the issue, transfer and settlement of Notes issued under the Programme. This summary is not exhaustive and does not deal with:

- any other Australian tax aspects of acquiring, holding or disposing of the Notes (including Australian income taxes);
- the position of certain classes of Noteholders; or
- the Australian tax aspects of acquiring, holding or disposing of the relevant Reference Item if the Notes are Physical Delivery Notes.

Prospective Noteholders should also be aware that the Final Terms of issue of any Series of Notes will affect the Australian tax treatment of that Series of Notes.

The Australian Tax Act characterises securities as either "debt interests" (for all entities) or "equity interests" (for companies) including for the purposes of interest withholding tax ("**IWT**") and dividend withholding tax ("**DWT**"). IWT is payable at a rate of 10 per cent. of the gross amount of interest paid by MBL to a non-resident of Australia (other than a non-resident acting at or through a permanent establishment in Australia) or a resident acting at or through a permanent establishment outside Australia unless an exemption is available or the payments of interest on the Notes are wholly incurred by MBL in carrying on a business in a country outside Australia through a permanent establishment of MBL in that country. For these purposes, interest is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts.

2. Withholding Tax - Notes

Unless an exemption applies or the payments of interest on the Notes are wholly incurred by MBL in carrying on a business in a country outside Australia through a permanent establishment of MBL in that country, interest paid by MBL in relation to the Notes to a non-resident of Australia (other than a non-resident acting at or through a permanent establishment in Australia) or a resident acting at or through a permanent establishment outside Australia will be subject to IWT.

An exemption from Australian IWT is available in respect of Notes issued by MBL if those Notes are characterised as "debentures" and are not characterised as "equity interests" for the purposes of the Australian Tax Act and the requirements of section 128F of the Australian Tax Act are satisfied. MBL intends to issue Notes which will be characterised as "debentures" and are not "equity interests" for these purposes and which will satisfy the requirements of section 128F of the Australian Tax Act.

If Notes are issued which are not so characterised, or which do not satisfy the requirements of section 128F of the Australian Tax Act, further information on the material Australian tax consequences of payments of interest and certain other amounts on those Notes will be specified in the relevant Final Terms (or another relevant supplement to this Base Prospectus).

The requirements that must be satisfied for an exemption from IWT in section 128F to apply in respect of the Notes are as follows:

(i) MBL is a company as defined in section 128F(9) of the Australian Tax Act and is a resident of Australia when it issues those Notes and when interest is paid;

(ii) those Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that MBL is offering those Notes for issue. In summary, the five methods are:

  (a) offers to 10 or more unrelated financiers or securities dealers or entities that carry on the business of investing in securities;

  (b) offers to 100 or more investors of a certain type;

  (c) offers of listed Notes;

  (d) offers as a result of negotiations initiated via publicly available information sources; and

  (e) offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods;

(iii) MBL does not know, or have reasonable grounds to suspect, at the time of issue, that those Notes or interests in those Notes were being, or would later be, acquired, directly or indirectly, by an "associate" of MBL, except as permitted by section 128F(5) of the Australian Tax Act; and

(iv) at the time of the payment of interest, MBL does not know, or have reasonable grounds to suspect, that the payee is an "associate" of MBL, except as permitted by section 128F(6) of the Australian Tax Act.

Interest withholding tax exemptions under recent tax treaties

The Australian government has signed or announced new or amended double tax agreements with a number of countries (each a "**Specified Country**"). In broad terms, once implemented, the relevant double tax agreements effectively prevent IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and

- a "financial institution" which is a resident of a "Specified Country" and which is unrelated to and dealing wholly independently with MBL. The term "financial institution" refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The Australian Federal Treasury maintains a listing of Australia's double tax agreements which provides details of country, status, and Australian domestic implementation that is available to the public at the Federal Treasury Department's website at: https://treasury.gov.au/tax-treaties/income-tax-treaties/ (as at 10 July 2019). This internet site address is included for reference only and the contents of such internet site are not incorporated by reference into, and do not form part of, this Base Prospectus.

The availability of relief under Australia's double tax agreements may be limited by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting in circumstances where a holder of a Note has an insufficient connection with the relevant jurisdiction. Prospective holders of Notes should obtain their own independent tax advice as to whether any of the exemptions under the relevant double tax agreements may apply to their particular circumstances.

3. Dividend withholding tax

Australia may impose DWT at a rate of 30 per cent. on unfranked distributions (reducible under an applicable double tax agreement) paid in respect of equity interests held in an Australian company. To the extent that a Noteholder holds any equity interests as a result of the Note then there may be DWT imposed on any amounts received in respect of the Notes. If a Note will give rise to an equity interest in an Australian company, further information regarding DWT will be specified in the relevant Final Terms (or another relevant supplement to this Base Prospectus).

4. Bearer Notes - section 126 of the Australian Tax Act

Section 126 of the Australian Tax Act imposes a type of withholding tax (see below for the rate of withholding tax) on the payment of interest on Bearer Notes if MBL fails to disclose the names and addresses of the holders of Bearer Notes to the Australian Taxation Office, but is limited in its application to persons in possession of Bearer Notes who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia. Where interests in the relevant Bearer Notes are held through Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), or the CentralMoneymarkets Unit Service ("**CMU Service**") MBL intends to treat the operators of those clearing systems as the Noteholder for the purposes of section 126 of the Australian Tax Act.

The rate of withholding tax is currently 45 per cent..

5. Payment of additional amounts

If the applicable Final Terms specify that taxation gross-up is applicable and MBL is at any time required by law to deduct or withhold an amount from principal or interest in respect of the Notes, Receipts or Coupons for or on account of any present or future taxes or duties of whatever nature imposed or levied by Australia (or any political subdivision thereof or any authority therein having the power to tax), MBL must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of the Notes, Receipts or Coupons after such deduction or withholding are equal to the respective amounts of principal and interest which would otherwise have been receivable in the absence of such deduction or withholding. No additional amounts are payable in relation to any payment in respect of the Notes, Receipts or Coupons to, or to a third party on behalf of, a holder who is liable for the taxes in respect of the Notes, Receipts or Coupons by reason of the holder being an associate of MBL for the purposes of section 128F(9) of the Australian Tax Act. If MBL is required by law in relation to any Note to deduct or withhold an amount in respect of any withholding taxes as a result of a change in law or regulation or any change in the application or official interpretation of such laws or regulations, MBL will have the option to redeem those Notes in accordance with the applicable Note Conditions and Final Terms.

If the applicable Final Terms specify that taxation gross-up is not applicable, all payments in respect of the Notes will be made subject to any withholding taxes imposed by Australia or any political subdivision thereof or any authority therein having the power to tax, and MBL will not be obliged to gross up any payments in respect of the Notes and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by MBL shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. MBL may, but is under no obligation to, take steps to mitigate the burden of such tax, duty or withholding applied to the Notes (as deemed appropriate by MBL in its sole discretion).

6. Other Australian tax matters

Under Australian laws as presently in effect:

(i) *death duties* – no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

(ii) *stamp duty and other taxes – Notes* – no ad valorem stamp duty or issue, registration or similar taxes are payable in any Australian State or Territory on the issue or the transfer of any Notes. In the event of Physical Delivery, stamp duty may be payable depending on the nature of the asset. Under the terms of a Note, the investor will be obliged to pay any stamp duty arising in respect of Physical Delivery. Accordingly, investors should seek their own stamp duty advice prior to making any investment decision;

(iii) *TFN withholding taxes – Notes* – Withholding tax is imposed (see below for the rate of withholding tax) on the payment of interest on Notes unless the relevant Noteholder has quoted a tax file number (‘‘**TFN**’’), in certain circumstances an Australian Business Number (‘‘**ABN**’’) or proof of some other exception (as appropriate).

Assuming the requirements of section 128F are satisfied with respect to the Notes, then the tax file number ("**TFN**") withholding requirements under the Australian Tax Act do not apply to payments to a Holder of Notes in registered form who is not a resident of Australia and does not hold those Notes in the course of carrying on business at or through a

permanent establishment in Australia. Payments to other persons in respect of the Notes may be subject to withholding where that person does not quote a TFN or Australian Business Number or provide proof of an appropriate exemption.

The rate of withholding tax is currently 47 per cent.;

(iv) *supply (ABN) withholding tax* – payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under Australia's tax legislation;

(v) *goods and services tax (GST) – Notes* – none of the issue or receipt of the Notes, the payment of principal or interest by MBL nor the disposal of Notes will give rise to any GST liability in Australia (with the possible exception of some kinds of Physical Delivery Notes). Physical Delivery Notes may give rise to GST depending on the nature of the assets. Under the terms of a Note, the investor will be obliged to pay any GST arising in respect of a Note. Accordingly, investors should seek their own GST advice prior to making any investment decision;

(vi) *additional withholdings from certain payments to non-Australian residents* – section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-Australian residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Base Prospectus are not relevant to payments in respect of the Notes. The possible future application of any regulations to the proceeds of any sale of the Notes will need to be monitored; and

(vii) *garnishee directions by the Commissioner of Taxation (Commissioner)* – the Commissioner may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 of the Taxation Administration Act (or any other analogous provision of any statute) requiring MBL to deduct from any payment to any other entity (including any Holder) any amount in respect of tax payable by that other entity. If MBL is served with such a direction in respect of a Holder, then MBL will comply with that direction and, accordingly, will make any deduction or withholding in connection with that direction. For example, in broad terms, if an amount was owing by MBL to a Holder and that Holder had an outstanding tax-related liability owing to the Commissioner, the Commissioner may issue a notice to MBL requiring MBL to pay the Commissioner the amount owing to the Holder.

7. Taxation of Financial Arrangements

The Australian Tax Act contains rules regarding the taxation of gains and losses in relation to "financial arrangements" (the "**TOFA Rules**"). The TOFA Rules specify a number of different methods for bringing to account gains and losses in relation to "financial arrangements" (including fair value, accruals, retranslation, realization, hedging and financial records).

The TOFA Rules do not affect the provisions relating to the imposition of IWT. In particular, the TOFA Rules do not apply in a manner which overrides the exemption available under section 128F of the Australian Tax Act.

United Kingdom Taxation

*The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom tax law (as applied in England and Wales) and published HM Revenue and Customs' ("**HMRC**") practice relating only to the United Kingdom withholding tax treatment of payments in respect of the Notes and to whether the issue, transfer or settlement of the Notes could be subject to United Kingdom stamp duty or stamp duty reserve tax ("**SDRT**"). It does not deal with any other United Kingdom taxation implications of acquiring, holding, disposing or the settlement or redemption of the Notes. Some aspects may not apply to certain classes of persons (such as persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective holders of Notes depends on their individual circumstances and may be subject to change in the future. The following is only a guide for issuances by MBL and prospective holders of Notes should seek their own professional advice.*

Withholding taxes on the Notes

United Kingdom withholding taxes can apply to a number of different types of payments. Those which could be relevant to securities such as the Notes include: yearly interest, annual payments and manufactured payments. As a general matter, the Issuer may make payments under the Notes without any deduction or withholding for or on account of United Kingdom income tax if the payments do not arise in the United Kingdom and they are not made by the Issuer in the course of a trade carried on in the United Kingdom through a branch or agency.

Interest

Whether or not payments on a Note will constitute "yearly interest" will depend upon, amongst other things, the terms and conditions of the Notes and the basis upon which amounts payable on the Notes are calculated.

Payments of yearly interest on the Notes that do not arise in the United Kingdom may be made without withholding or deduction for or on account of United Kingdom income tax.

In relation to payments of yearly interest on the Notes that do arise in the United Kingdom:

(a) MBL, provided that it is and continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 ("**ITA 2007**"), and provided that the interest on the Notes is and continues to be paid in the ordinary course of its business within the meaning of section 878 ITA 2007, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.

(b) Payments of yearly interest on the Notes may be made without any deduction or withholding for or on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of ITA 2007. The Notes, if listed on the SGX-ST, are expected to be listed on the Bonds Market and not the Main Board of the SGX-ST. The SGX-ST is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Singapore on the Bonds Market of the SGX-ST in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the SGX-ST. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without any deduction or withholding for or on account of United Kingdom income tax whether or not the Issuer is a bank and whether or not the interest is paid in the ordinary course of its business.

Interest on the Notes may also be paid without any withholding or deduction for or on account of United Kingdom income tax where it does not constitute "yearly interest"; that is, where the maturity of the Notes is

less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes arising in the United Kingdom on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemption or relief. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a holder of Notes, HMRC can (on application) issue a notice to the Issuer to pay interest to the holder of the Notes without any deduction or withholding for or an amount of United Kingdom income tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Annual payments

It is possible that periodic payments made on the Notes might not be treated as interest for United Kingdom tax purposes but rather as "annual payments". Whether or not any periodic payment were to constitute an "annual payment" for these purposes will depend upon, amongst other things, the terms and conditions of the Notes and the basis upon which it is calculated. However, if in relation to a Note the Issuer is only required to make a single payment to its holders following redemption or exercise, and there are no amounts due by way of interest or other periodic payment on that Note, payments should not generally constitute "annual payments".

In any event, even if a payment on a Note were to constitute an "annual payment" it could be made without any deduction or withholding for or on account of United Kingdom income tax if the payment does not arise in the United Kingdom.

If such a payment were to arise in the United Kingdom, then the Issuer may (subject to any available reliefs or exemptions) be required to make a deduction or withholding for or on account of United Kingdom income tax from such payment at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a holder of Notes, HMRC can (on application) issue a notice to the Issuer to pay such payments to the holder of such Notes without any deduction or withholding for or on account of United Kingdom income tax (or for the payments to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Manufactured payments

It is possible that payments made on the Notes might not be treated as interest or "annual payments" for United Kingdom tax purposes but rather as "manufactured payments" if the Notes: (i) contemplate settlement by way of physical delivery; (ii) the assets which will or may be delivered are shares issued by a "company UK REIT" or the "principal company" of a "group UK REIT" (all bearing the same meaning as in section 918 ITA 2007) or securities (other than shares) issued by the United Kingdom government, a local or other public authority in the United Kingdom or any other United Kingdom resident body; and (iii) the payments are representative of dividends on those shares, or interest paid on those securities (as the case may be).

In any event, even if such a payment on a Note were to constitute a "manufactured payment" it could be made without any deduction or withholding for or on account of United Kingdom income tax unless the Issuer makes those payments in the course of a trade carried on in the United Kingdom through a branch or agency. If such a "manufactured payment" were paid by the Issuer in the course of a trade carried on in the United Kingdom through a branch or agency then the Issuer may (subject to any available reliefs or exemptions) be required to make a deduction or withholding for or on account of United Kingdom income tax from such payment at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a holder of Notes, HMRC can (on application) issue a notice to the Issuer to pay such payments to the holder of such

Notes without any deduction or withholding for or on account of United Kingdom income tax (or for the payments to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Stamp duty and SDRT in respect of the Notes

A charge to stamp duty or SDRT may, in certain circumstances, arise on the issue, transfer and/or settlement of Notes and SDRT may also be payable in relation to any agreement to transfer Notes. This will depend upon the terms and conditions of the relevant Notes. Holders of Notes should take their own advice from an appropriately qualified professional advisor in this regard.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws and regulations in Singapore, announced budget measures and administrative guidelines issued by the Inland Revenue Authority of Singapore (the "**IRAS**") or the MAS in force as at the date of this Base Prospectus and are subject to enactment of such budget measures and to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis.

Neither these statements nor any other statements in the Base Prospectus should be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes.

The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (including without limitation a person holding the Financial Sector Incentive tax status) may be subject to special rules or tax rates.

Furthermore, there may be additional taxation issues arising from complex structured products such as the Notes which have not been addressed in this section.

Prospective holders of the Notes who are in doubt about their respective tax positions or any such tax implications of the purchase, ownership or transfer of any Notes or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional tax advisers.

Interest and other payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is:

  (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or

  (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Payments falling within paragraphs (a) and (b) above and made by MBL, Singapore Branch, would fall within Section 12(6) of the ITA.

Unless exempted, such payments, where made to a person not known to the Issuer to be a resident in Singapore for tax purposes (a "**tax resident in Singapore**"), 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 15.0 per cent. final withholding tax described below) to non tax-resident persons other than non-tax-resident individuals is currently 17.0 per cent. The applicable rate for non-tax-resident individuals is currently 22.0 per cent. However, if the payment is derived by a person who is a non-tax-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 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from specified financial instruments is exempt from Singapore tax, including:

(a) interest from debt securities;

(b) discount income (other than discount income arising from secondary trading) from debt securities; and

(c) prepayment fee, redemption premium and break cost from debt securities,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

Qualifying debt securities

Where more than half of the debt securities issued under a tranche of the Notes during the period from the date of this Base Prospectus to 31 December 2023 are distributed by Financial Sector Incentive (Bond-Market) companies, Financial Sector Incentive (Capital Market) companies or Financial Sector Incentive (Standard Tier) companies, that tranche of the Notes (the "**Relevant Notes**") would be, pursuant to the ITA, "qualifying debt securities" for the purposes of the ITA to which the following treatment shall apply:

(a) (in the case of Relevant Notes the payments under which fall within Section 12(6) of the ITA) subject to certain prescribed conditions having been fulfilled (including (1) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of (A) a return on debt securities in respect of the Relevant Notes using a prescribed format and within such period as MAS may prescribe, and (B) such other particulars in connection with the Relevant Notes as MAS may require; and (2) 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 from the Relevant Notes is derived by a person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption under the "qualifying debt securities" regime shall not apply if the non-tax-resident person acquires the Relevant Notes using the funds and profits of such 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, the "**Qualifying Income**") from the Relevant Notes, paid by the Issuer and derived by a holder who is not tax resident in Singapore and who:

    (i) does not have any permanent establishment in Singapore; or

(ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore,

are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of (A) a return on debt securities in respect of the Relevant Notes to MAS using a prescribed format and within such period as MAS may prescribe, and (B) such other particulars in connection with the Relevant Notes as MAS may require), Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is (subject to considerations relating to the geographical source of income, where applicable) subject to tax at a concessionary rate of 10 per cent. (except for holders of relevant Financial Sector Incentive(s), who may be taxed at different rates);

(c) (in the case of Relevant Notes the payments under which fall within Section 12(6) of the ITA) 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 furnishing by the Issuer, or such other person as MAS may direct, to MAS of (A) a return on debt securities in respect of the Relevant Notes to MAS using a prescribed format and within such period as MAS may prescribe, and (B) such other particulars in connection with the Relevant Notes as MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

(a) if during the primary launch of the Relevant Notes, the Relevant Notes are issued to less than four persons and 50.0 per cent. or more of the principal amount of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as qualifying debt securities; and

(b) even though certain Relevant Notes are qualifying debt securities, if at any time during the tenure of such Relevant Notes, 50.0 per cent. or more of such Relevant Notes which are outstanding is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such 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.

The term "**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.

The terms "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the ITA as follows:

"**break cost**" 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;

"**prepayment fee**" 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; and

"**redemption premium**" means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

All foreign sourced income received in Singapore on or after 1 January 2004 by Singapore tax resident individuals will be exempt from income tax, provided such foreign sources income is not received through a partnership in Singapore.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. Qualifying Income) is derived from the Relevant Notes by any person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. Qualifying Income) derived from such Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

There is no assurance that Notes to be issued from time to time under the Programme will enjoy the tax concessions under the qualifying debt securities scheme ("**QDS Scheme**"). Holders of the Notes should consult their own professional tax advisers if they are in any doubt as to the treatment under the QDS Scheme that would be applicable to them.

Withholding tax exemption for Section 12(6) payments by banks

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; and

(b) on a contract which takes effect between 1 April 2011 and 31 March 2021,

will be exempted from tax, provided the payments are made for the purposes of licensed banks' 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 in Singapore (including branches) 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).

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 derived by any person 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 Notes who apply or are required to apply Singapore Financial Reporting Standard 39 *Financial Instruments: Recognition and Measurement* ("**FRS 39**"), 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 Notes, 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. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under the FRS 39 tax regime, the FRS 109 tax regime or the SFRS(I) 9 tax regime should consult their own professional accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding, conversion or disposal of the Notes.

Goods and Services Tax

Under the Goods and Services Tax Act, Chapter 117A of Singapore (the "**GST Act**"), the following are examples of exempt supplies not subject to Goods and Services Tax ("**GST**") under the Fourth Schedule to the GST Act:

(a) the exchange of currency (whether effected by exchange of bank notes, currency notes or coin, by crediting or debiting accounts, or otherwise) other than the supply of a note or a coin as a collector's item, investment article or item of numismatic interest;

(b) the issue, allotment or transfer of ownership of an equity security (i.e. any interest in or right to a share in the capital of a body corporate or any option to acquire any such interest or right but excludes a contract of insurance and an estate or interest in land, other than an estate or interest as mortgagee or chargeholder);

(c) the issue, allotment, transfer of ownership, drawing, acceptance or endorsements of a debt security (i.e. any interest in or right to be paid money that is, or is to be, owing by any person or any option to acquire any such interest or right but excludes a contract of insurance and an estate or interest in land, other than an estate or interest as mortgagee or chargeholder);

(d) the provision or assignment of a derivative that does not lead to any delivery of goods or supply of taxable services; or

(e) the renewal or variation of an equity security or debt security.

Holders of the Notes should consult their own professional accounting and tax advisers regarding the Singapore GST consequences of their acquisition, holding, conversion or disposal of the Notes.

US Taxation – 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**") and (ii) dividend equivalent payments (as described below in "*U.S. Dividend Equivalent Withholding*"), 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 Australia) 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, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. 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 – Further Issues") 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 advisors regarding how these rules may

apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

FATCA is particularly complex legislation. The above description is based in part on U.S. Treasury regulations official guidance and the Australian IGA, all of which are subject to change or may be implemented in a materially different form.

Investors should consult their own tax advisers to determine how these rules may apply to payments they will receive under the Notes and the potential impact of the implementation of an Australian IGA and implementing legislation on it.

US Taxation – 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. Under Section 871(m), such payments generally would be subject to a 30 per cent. U.S. withholding tax that 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) or (ii). The 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 attributable to dividends from certain U.S. securities. 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 security a "**Specified Security**"). The Section 871(m) Regulations provide certain exceptions to this withholding requirement, 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 a Specified Security or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Security. If the underlying U.S. security or securities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security 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 IRS. 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 Securities 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 purposes of determining, based on economic conditions in effect at that time, whether such Note is a Specified Security. 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 Securities as the date of such subsequent sale or

issuance. Consequently, a previously out of scope Note might be treated as a Specified Security following such modification or further issuance.

In addition, with respect to Notes that provide for net dividend reinvestment in respect of either an underlying U.S. security or an index that includes U.S. securities, all payments on the Notes that reference such 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 per cent. 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 per cent. 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 Securities and may specify contact details for obtaining additional information regarding the application of Section 871(m) to Notes. If Notes are Specified Securities, a non-U.S. holder of such Notes should expect to be subject to withholding in respect of any dividend-paying U.S. securities underlying those Notes. 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.

The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax ("**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 not 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.

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

OECD Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information in Tax Matters ("**CRS**") requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Holders of the Notes may be requested to provide certain information and certifications to ensure compliance

with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have also signed the CRS Competent Authority Agreement. The Australian government has enacted legislation amending, among other things, the Taxation Administration Act 1953 (Cth) to give effect to the CRS. The CRS applies to Australian financial institutions with effect from 1 July 2017.

GENERAL INFORMATION

Authorisation

MBL has obtained all necessary consents, approvals and authorisations in Australia in connection with the issue and performance of the Notes. The establishment of the Programme and the issue of the Notes by MBL was authorised by resolutions of the board of directors of MBL on 24 February 2011 and various resolutions of a Board Delegated Committee of MBL, most recently on 14 August 2019.

Auditors

The auditors of MBL in Australia are PwC Australia.

Other issuance under the Programme

The Programme Agreement provides that MBL may issue Notes in a form not contemplated by this Base Prospectus. If any such Notes are to be listed on the SGX-ST, MBL will issue a replacement Base Prospectus or a supplement to the Base Prospectus, as required, describing the form (and terms and conditions) of such Notes.

The Programme Agreement also provides that MBL may approve any affiliate of MBL as an additional issuer under the Programme, subject to the satisfaction of certain conditions.

If an additional issuer wishes to issue Notes to be listed on the SGX-ST under the Programme, a replacement Base Prospectus or a supplement to the Base Prospectus, as required, will be issued by MBL or that additional issuer setting out additional information about that additional issuer and the form (and terms and conditions) of such Notes.

Documents available

For so long as any Notes shall be outstanding or the Programme remains in effect, copies of the following documents may be inspected during normal business hours at, and copies of documents (e), (f) and (g) are available free of charge from, the specified office of the Principal Paying Agent, any Paying Agent, the Registrar and/or from the registered office of MBL:

(a) the constitution of MBL;

(b) the Programme Agreement and any agreement which amends or supplements it;

(c) the Agency Agreement (which includes the forms of the Global and Definitive Notes, Receipts, Coupons and Talons);

(d) the Deed of Covenant for Notes;

(e) the 2018 annual report and the 2019 annual report of MBL which includes the audited annual financial statements of MBL and MBL consolidated with its controlled entities for the financial years ended 31 March 2018 and 31 March 2019 and the independent audit reports in respect of such financial statements (see "*Selected Financial Information*" on pages 174 to 177 inclusive of this Base Prospectus for further information on the financial statements of MBL and MBL consolidated with its controlled entities);

(f) each Final Terms for Notes that are listed on the SGX-ST or on any other stock exchange;

(g) a copy of this Base Prospectus, together with any supplement to this Base Prospectus;

(h) a copy of the subscription agreement for Notes issued on a syndicated basis that are listed on the SGX-ST; and

(i) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

The Final Terms issued for each Tranche of Notes to be listed on the SGX will be published on the SGX's internet site http://www.sgx.com.

The Base Prospectus and the other documents incorporated by reference as set out in this Base Prospectus (see "*Documents Incorporated by Reference*" on pages 56 to 57 (inclusive) of this Base Prospectus) are available on the internet site www.macquarie.com.

Clearing

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and the CMU Service and any other clearing system (including DTC) as may be specified in the applicable Final Terms. The appropriate Common Code, CUSIP and International Securities Identification Number ("**ISIN**"), as applicable, in relation to the Notes of each Series will be specified in the relevant Final Terms. The Issuer may also apply to have Notes accepted for clearance through the CMU Service. The relevant CMU instrument number will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC.

Pursuant to the Agency Agreement, the Principal Paying 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, the Notes of such further Tranche shall be assigned a Common Code, ISIN by Euroclear and Clearstream, Luxembourg and, where applicable, CMU Instrument number, a CUSIP and CINS number which are different from the Common Code and ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of any applicable period that by law or regulation would require such Notes not to be fungible.

United States Tax

Bearer Notes having a maturity of more than one year (other than Temporary Bearer Global Notes) and any Coupon or Talon appertaining thereto where TEFRA D is specified will bear a legend to the following effect:

"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 U.S. INTERNAL REVENUE CODE".

Australian approvals

No approvals are currently required under Australian law for or in connection with the issue of the Notes by MBL or for or in connection with the performance and enforceability of such Notes or Coupons. However, regulations in Australia prohibit payments, transactions and dealings with assets or named individuals or entities subject to international sanctions or associated with terrorism.

Post issuance information

MBL does not intend to provide any post-issuance information in relation to any assets underlying an issue of Notes constituting derivative securities.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan (a "**plan**") subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorising an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit plans (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans) (also "**plans**"), from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code ("**parties in interest**") with respect to the plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) ("**non-ERISA arrangements**") are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to provisions under applicable federal, state, local or non-U.S. laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code ("**similar laws**").

The acquisition of the Notes by a plan with respect to which MBL or certain of its Affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those Notes are acquired pursuant to and in accordance with an applicable exemption. Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities where neither MBL nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the plan involved in the transaction and the plan pays no more and receives no less than "adequate consideration" in connection with the transaction (the "**service provider exemption**"). The U.S. Department of Labor has also issued five prohibited transaction class exemptions, or "**PTCEs**", that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Notes. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

Even if an exemption were to apply, such exemption may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an investment in the Notes by a plan.

Any purchaser or holder of Notes or any interests therein will be deemed to have represented by its purchase or holding of the Notes (or interests therein) that either (1) it is not a plan and is not purchasing those Notes

(or interests therein) on behalf of or with "plan assets" of any plan and it is not a non-ERISA arrangement subject to similar laws or (2) its acquisition, holding and disposition of the Notes (or interests therein) are eligible for the exemptive relief under the PTCEs listed above, the service provider exemption or another applicable exemption or, in the case of a non-ERISA arrangement, its acquisition, holding and disposition of the Notes (or interests therein) will not constitute or result in a violation of the provisions of any similar laws.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions or violations of any similar laws, it is important that fiduciaries or other persons considering purchasing Notes (or interests therein) on behalf of or with "plan assets" of any plan or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

Any prospective investor that is an insurance company or a fiduciary of a pension plan or an employee benefit plan and proposes to invest in the Notes should consult its legal counsel.

USE OF PROCEEDS

The Issuer intends to use the net proceeds from the sale of Notes for general corporate purposes. A portion of the proceeds from the issue of Notes may be used to hedge market risk with respect to such Notes.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED NOTES

The terms and conditions applicable to Index Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**" or "**Conditions**") and the additional terms and conditions for Index Linked Notes set out below (the "**Index Linked Conditions**" and, together with the Note Conditions, the "**Base Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Base Conditions and the Index Linked Conditions, the Index Linked Conditions shall prevail. In the event of any inconsistency between (a) the Base Conditions and/or the Index Linked Conditions and (b) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Index Linked Conditions to "Holder" or "Holders" and "Noteholder" or "Noteholders" shall be deemed to be references to a holder or the holders, as the case may be, of relevant Notes. Capitalised terms used but not otherwise defined in these Index Linked Conditions shall have the meaning given to them in the Base Conditions or the applicable Final Terms, as the case may be.

1. Definitions applicable to Index Linked Notes

"**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:

(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 or price provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level or price 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 Index Linked Notes relate 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 as of the Valuation Time on the eighth 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 in respect of the relevant Scheduled Valuation Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth 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; and

(ii) where the Index Linked Notes relate to a Basket of Indices:

I. if "Affected Postponement only" is specified in the Final Terms, 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 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 as of the Valuation Time on the eighth 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 eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (b)(I)(ii) of the definition of "Valuation Date" below; or

II. if "Whole Basket Postponement" is specified in the Final Terms, the Averaging Date for each Index (whether affected by the occurrence of a Disrupted Day or not) shall be the first succeeding Valid Date (as defined below) in relation to each Index. If the first succeeding Valid Date in relation to each Index has not occurred as of the Valuation Time on the eighth 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 eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to each Index, and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (b)(II)(ii) of the definition of "Valuation Date" below.

If nothing has been specified, "Whole Basket Postponement" shall be deemed to be applicable.

For the purposes of these Index Linked Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur.

"**Basket**" means a basket comprising two or more indices specified in the applicable Final Terms in the relative proportions specified in the applicable Final Terms.

"**Closing Price**" means, in relation to an Index and a Scheduled Trading Day:

(a) where "Futures Price Valuation" is not specified as applicable in the Final Terms, an amount equal to the official closing level of the Index as determined by the Calculation Agent on such Scheduled Trading Day; or

(b) where "Futures Price Valuation" is specified as applicable in the Final Terms, the official settlement price (howsoever described under the rules of the relevant Exchange or its clearing house) of any of the relevant exchange-traded contract (being the futures contract, or if there is no such futures contract, options contract, on the relevant Index traded on the Related Exchange with an expiry date (or the date which would have been the expiry date but for that day being a Disrupted Day or not being a Scheduled Trading Day) that is the same date as such Scheduled Trading Day) published by the Exchange or its clearing house on such Scheduled Trading Day; provided that if no futures contract expiry date matches the

specified Scheduled Trading Day, the Closing Price shall be the official closing level as determined by the Calculation Agent on such Scheduled Trading Day.

"**Disrupted Day**" means:

(a) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, 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; or

(b) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

"**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (a) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (b) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"**Exchange**" means:

(a) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, each exchange or quotation system 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 (or other components) comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities (or other components) comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or

(b) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, in relation to each component security of that Index (each a "**Component Security**"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

"**Exchange Business Day**" means:

(a) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, 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; or

(b) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding any such 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 to effect transactions in, or obtain market values for: (a) any Component Security on the Exchange in respect of such Component Security; or (b) futures or options contracts relating to the Index on any Related Exchange.

"**Indices**" and "**Index**" mean, subject to adjustment in accordance with Index Linked Condition 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 is the index sponsor specified for such Index in the applicable Final Terms.

"**Market Disruption Event**" means:

(a) in respect of an Index other than a Designated Multi-Exchange Index:

(i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:

(A) 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:

(1) on any relevant Exchange(s) relating to securities (or other components) that comprise 20 per cent. or more of the level of the relevant Index; or

(2) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or

(B) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values for, on any relevant Exchange(s) securities (or other components) that comprise 20 per cent. or more of the level of the relevant Index, or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange, which in either case the Calculation Agent determines is material; or

(ii) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities (or other components) that comprise 20 per cent. or more of the level of the relevant Index 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 (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (B) 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; or

(b) in respect of a Designated Multi-Exchange Index either:

(i) the occurrence or existence, in respect of any Component Security, of:

(A) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;

(B) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or

(C) an Early Closure in respect of such Component Security; and

the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange, (B) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Exchange, in each case in respect of such futures or options contracts and which the Calculation Agent determines is material; or (C) an Early Closure.

For the purposes of determining whether a Market Disruption Event in respect of an Index or a Component Security exists at any time, if a Market Disruption Event occurs in respect of a security (or other component) included in the Index or such Component Security at that time, then the relevant percentage contribution of that security (or other component) or Component Security, as the case may be, to the level of the Index shall be based on a comparison of (a) the portion of the level of the Index attributable to that security (or other component) or Component Security, as the case may be, and (b) the overall level of the Index, in each case either (i) where the Index is not a Designated Multi-Exchange Index, immediately before the occurrence of such Market Disruption Event or (ii) where the Index is a Designated Multi-Exchange Index, using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

"**Related Exchange**" means, in relation to an Index, each exchange or quotation system 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 futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to 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 where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options 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 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:

(a) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or

(b) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, (i) any day on which the Index Sponsor is scheduled to publish the level of that Index and (ii) each Related Exchange is scheduled to be open for trading for its regular trading session.

"**Scheduled Valuation Date**" means, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, 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 any Component Security on the Exchange in respect of such Component Security; or (b) in futures or options contracts relating to the Index on any Related Exchange.

"**Valuation Date**" means the date or, in the case of Index Linked Interest Notes, each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following 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 specified in the applicable Final Terms to relate to a single Index, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall, where practicable, determine the Closing Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Closing Price by determining the level of the Index as of the Valuation Time on that eighth 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 that eighth Scheduled Trading Day of each security (or other component) comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security (or other component) on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security (or other component) as of the Valuation Time on that eighth Scheduled Trading Day); or

(b) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices:

I. if "Affected Postponement only" is specified in the Final Terms, that Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Index**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where applicable, determine the

Closing Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security (or other component) comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security (or other component) on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security (or other component) as of the Valuation Time on that eighth Scheduled Trading Day); or

II. if "Whole Basket Postponement" is specified in the Final Terms, that Valuation Date for each Index (whether affected or unaffected) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to any Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to an Index. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for each Index, notwithstanding the fact that such day is a Disrupted Day for any Index, and (ii) the Calculation Agent shall, where applicable, determine the Closing Price using, in relation to any Index, the level of that Index determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security (or other component) comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security (or other component) on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security (or other component) as of the Valuation Time on that eighth Scheduled Trading Day).

If nothing has been specified, "Whole Basket Postponement" shall be deemed to be applicable.

Provided that where "Futures Price Valuation" is specified as applicable in the Final Terms, Valuation Date shall mean a day on which the relevant official settlement price of the relevant exchange-traded contract is published.

"**Valuation Time**" means:

(a) where the Index is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation 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 Index to be valued. 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; or

(b) where the Index is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (B) in respect of any options contracts or futures contracts on the

Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (i) above, 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.

2. Adjustment to an Index

2.1 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 (a "**Successor Index 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.

2.2 Modification and Cessation of Calculation of an Index

If (i) on or prior to a Valuation Date, an Averaging Date or any other observation date, 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 or commodities and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**"), or (ii) on a Valuation Date, an Averaging Date or any other observation date 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 Cancellation, each an "**Index Adjustment Event**"), then the Issuer may take in its sole and absolute discretion the action described in (i) or (ii) or (iii) below:

(i) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the Closing 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, Averaging Date or observation date 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 (or other components) that comprised that Index immediately prior to that Index Adjustment Event; or

(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 the terms of the Base Conditions, the Index Linked Conditions and/or the Final Terms, to account for that Index Adjustment Event and determine the effective date of that adjustment; or

(iii) give notice to the Noteholders in accordance with Note Condition 13 and redeem all, but not some only, of the Notes at the Early Redemption Amount (for the avoidance of doubt, less Associated Costs).

2.3 Correction of an Index

If Correction of Index Levels is specified as applying in the applicable Final Terms and the official closing level of an Index published on a Valuation Date, an Averaging Date or an observation date is subsequently corrected and the correction (the "**Corrected Index Level**") is published by the Index Sponsor or (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date

specified in the applicable Final Terms, then such Corrected Index Level shall be deemed to be the closing level for such Index for that Valuation Date or Averaging Date and the Calculation Agent shall use such Corrected Index Level in determining the relevant Interest Amount and/or Final Redemption Amount.

2.4 Notice

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Note Condition 13 giving details of the action proposed to be taken in relation thereto.

2.5 Exchange-traded contract adjustment

If in relation to an Index, Futures Price Valuation is specified to be applicable in the Final Terms, in the event that the terms of the relevant exchange-traded contract are changed or modified by the Exchange, the Calculation Agent may, if necessary, adjust one or more of the terms of the Note as determined to be appropriate by the Calculation Agent and determine the effective date of such adjustment.

If there is no official settlement price as a result of the fact that trading in the exchange-traded contract never commences or is permanently discontinued at any time on or prior to a Valuation Date, the official settlement price for that Valuation Date shall be deemed to be the level of the Index at the close of the regular trading session on the relevant Exchange on the Valuation Date.

3. Additional Disruption Events

3.1 Additional Disruption Event

If Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (a) or (b) below:

(a) 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 the other terms of the Base Conditions, these Index Linked Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(b) give notice to the Noteholders and redeem all, but not some only, of the Notes at the Early Redemption Amount (for the avoidance of doubt, less Associated Costs).

Where the Notes are to be redeemed or cancelled following the occurrence of an Additional Disruption Event due to Currency Disruption or the Early Redemption Amount (as applicable) shall be payable in a currency other than the Specified Currency, as selected by the Issuer acting in a commercially reasonable manner, in an amount determined by the Calculation Agent in its sole and absolute discretion. Where no alternative currency is so selected by the Issuer, the Early Redemption Amount shall be payable in U.S. dollars.

Notwithstanding the above, if a Currency Disruption occurs, the Issuer may determine in its sole and absolute discretion to postpone the relevant payment or delivery obligation in respect of the Index Linked Notes to a day on which the Currency Disruption ceases to exist.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders 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.

Notwithstanding the provisions of Note Condition 13, any notice of redemption given as a result of an Additional Disruption Event may specify a termination date which may be the day on which the notice of redemption is given to Euroclear and/or Clearstream Luxembourg and/or DTC and/or the CMU Service, and any such notice may be deemed to be given to the Noteholders on the date on which it is given to Euroclear and/or Clearstream Luxembourg and/or DTC and/or the CMU Service.

3.2 Definitions applicable to Additional Disruption Events

"**Additional Disruption Event**" means any of Change of Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow and/or Currency Disruption, in each case if specified in the applicable Final Terms.

"**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 or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (i) it has become illegal to hold, acquire or dispose of any relevant security (or other component) comprised in an Index or any Hedge Position or (ii) it will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

"**Currency Disruption**" means any action, event or circumstance whatsoever which, as determined by the Calculation Agent in its sole and absolute discretion, from a legal or practical perspective:

(i) has the direct or indirect effect of hindering, limiting or restricting the ability of the Issuer and/or any of its Affiliates to convert the Specified Currency into any other currency or *vice versa*, or transfer (a) an amount of Specified Currency from the Specified Jurisdiction to any other country or (b) Specified Currency within the Specified Jurisdiction or to a party that is non-resident of the Specified Jurisdiction; and/or

(ii) results in the unavailability of Specified Currency in the interbank foreign exchange market located in the Specified Jurisdiction in accordance with normal commercial practice.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Notes.

"**Hedging Disruption**" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk (including, but not limited to, the currency risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, receive, repatriate, transfer or remit the proceeds of Hedge Positions or this Note between accounts within the jurisdiction of the Hedge Positions (the "**Affected Jurisdiction**") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

"**Hedging Shares**" means the number of securities (or other component) comprised in an Index that the Calculation Agent 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 equity or other price risk (including, but not limited to, the 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), 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 (or other component) comprised in an Index that is greater than the Initial Stock Loan Rate.

"**Initial Stock Loan Rate**" means, in respect of a security (or other component) comprised in an Index, the Initial Stock Loan Rate specified in relation to such security (or other component) 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 (or other components) 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.

"**Maximum Stock Loan Rate**" means, in respect of a security (or other component) comprised in an Index, the Maximum Stock Loan Rate specified in the applicable Final Terms.

"**Specified Jurisdiction**" means as specified in the applicable Final Terms.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR FX LINKED NOTES

The terms and conditions applicable to FX Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**" or "**Conditions**") and the additional terms and conditions for FX Linked Notes set out below (the "**FX Linked Conditions**" and, together with the Note Conditions, the "**Base Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Base Conditions and the FX Linked Conditions, the FX Linked Conditions shall prevail. In the event of any inconsistency between (i) the Base Conditions and/or the FX Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the FX Linked Conditions to "Holder" or "Holders" and "Noteholder" or "Noteholders" shall be deemed to be references to a holder or the holders, as the case may be, of relevant Notes. Capitalised terms used but not otherwise defined in these FX Linked Conditions shall have the meaning given to them in the Base Conditions or the applicable Final Terms, as the case may be.

1. Definitions applicable to FX Linked Notes

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Final Terms or if that is not an FX Business Day the first FX Business Day thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day. If such day is an FX Disrupted Day:

(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 or price provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level or price on the final Averaging Date, as if such Averaging Date were a Valuation Date that was an FX 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 an FX 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.

"**Currency Disruption Event**" means any of General Inconvertibility, Specific Inconvertibility, General Non-Transferability, Specific Non-Transferability, Nationalisation and Dual Exchange Rate, each such term as defined below:

"**General Inconvertibility**", being the occurrence of any event that, from a legal or practical perspective, generally makes it impossible or not reasonably practicable to (i) convert the Subject Currency into the Base Currency or (ii) to convert the relevant Reference Currencies for the purpose of determining the Currency Price, in any relevant jurisdiction through customary legal channels;

"**Specific Inconvertibility**", being the occurrence of any event that, from a legal or practical perspective, has the direct or indirect effect of hindering, limiting, restricting, making it impossible or not reasonably practicable for any Hedging Party to convert the whole, or part thereof, (i) of any relevant amount in the Subject Currency into the Base Currency or (ii) of any relevant Reference Currencies for the purpose of determining the Currency Price, in any relevant jurisdiction, (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of either (i) the Subject Currency into the Base Currency or (ii) any relevant Reference Currencies for the purpose of determining the

Currency Price) other than where such impossibility or impracticality is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);

"**General Non-Transferability**", being the occurrence of any event that generally makes it impossible or not reasonably practicable to deliver (i) the Base Currency from accounts inside any relevant jurisdiction to accounts outside such relevant jurisdiction or (ii) the Subject Currency between accounts inside the relevant jurisdiction or to a party that is a non-resident of such relevant jurisdiction;

"**Specific Non-Transferability**", being the occurrence of any event that, from a legal or practical perspective, has the direct or indirect effect of hindering, limiting, restricting, making it impossible or not reasonably practicable for any Hedging Party to deliver (i) the Subject Currency from accounts inside any relevant jurisdiction to accounts outside such relevant jurisdiction or (ii) the Subject Currency between accounts inside any relevant jurisdiction or to a party that is a non-resident of such relevant jurisdiction (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the Subject Currency into the Base Currency), other than where such impossibility or impracticality is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);

"**Nationalisation**", being any expropriation, confiscation, requisition, nationalisation or other action taken by a Governmental Authority which deprives any Hedging Party of all or substantially all of its assets in any relevant jurisdiction; and/or

"**Dual Exchange Rate**", being the occurrence of an event that splits any currency exchange rate referred to in the definition of any applicable Currency Price into dual or multiple currency exchange rates.

"**Currency Price**" means, in relation to each Note, as the case may be, the Currency Price specified in the applicable Final Terms, or if not so specified in the applicable Final Terms:

(a) in the case of FX Linked Notes relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency as the spot rate of exchange appearing on the FX Price Source at the Valuation 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, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged), multiplied by the relevant Weighting; and

(b) in the case of FX Linked Notes relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the FX Price Source at the Valuation 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, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged).

"**FX Business Day**" means 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), or but for the occurrence of a FX Market Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres specified in the applicable Final Terms.

"**FX Disrupted Day**" means any FX Business Day on which a FX Market Disruption Event occurs.

"**FX Market Disruption Event**" means the occurrence or existence, as determined by the Calculation Agent in its sole and absolute discretion, of any FX Price Source Disruption and/or any FX Trading Suspension or Limitation and/or, if specified as applicable in the Final Terms, any Currency Disruption Event and/or any other event specified as applicable in the applicable Final Terms.

"**FX Price Source(s)**" means, in respect of a Subject Currency, the price source(s) specified in the applicable Final Terms for such Subject Currency or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"**FX Price Source Disruption**" means it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate(s) required to calculate the Currency Price on the Averaging Date or Valuation Date or, if different, the day on which rates for that Averaging Date or Valuation Date, as the case may be, would in the ordinary course be published or announced by the relevant FX Price Source.

"**FX Trading Suspension or Limitation**" means the suspension of and/or limitation of trading in the rate(s) required to calculate the relevant Currency Price (which may be, without limitation, rates quoted on any over-the-counter or quotation-based market, whether regulated or unregulated) provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

"**Governmental Authority**" means (i) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in each case in any relevant jurisdiction.

"**Hedging Party**" means the Issuer and/or any Affiliate and/or any other party which conducts or may conduct hedging arrangements in respect of the Issuer's obligations in respect of the Notes from time to time.

"**Reference Currencies**" means each Subject Currency and each Base Currency.

"**Specified Financial Centre(s)**" means the financial centre(s) specified in the applicable Final Terms.

"**Scheduled Valuation Date**" means any original date, that but for the occurrence of an event causing an FX Disrupted Day, would have been a Valuation Date.

"**Valuation Cut-off Date**" means the date falling eight FX Business Days immediately following the relevant Scheduled Valuation Date specified in the applicable Final Terms or, if earlier, the second FX Business Day immediately preceding the date of payment or delivery of any amount calculated in respect of such Valuation Date pursuant to the definition of Valuation Date.

"**Valuation Date**" means each Valuation Date specified in the applicable Final Terms or if that is not an FX Business Day the first FX Business Day thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then:

(a) where the FX Linked Notes relate to a single Subject Currency, the Valuation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Valuation Cut-Off Date is an FX Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date; or

(b) where the FX Linked Notes relate to a Basket of Subject Currencies, the Valuation Date for each Subject Currency not affected by the occurrence of an FX Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Subject Currency affected (each an "**Affected Subject Currency**") by the occurrence of an FX Disrupted Day shall be the first succeeding FX Business Day that is not an FX Disrupted Day relating to the Affected Subject Currency, unless each of the FX Business Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is an FX Disrupted Day relating to the Affected Subject Currency. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Subject Currency (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to the Affected Subject Currency, 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 price for the Affected Subject Currency as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

"**Valuation Time**" means the Valuation Time specified in the applicable Final Terms.

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED NOTES

The terms and conditions applicable to Commodity Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**" or "**Conditions**") and the additional terms and conditions for Commodity Linked Notes set out below (the "**Commodity Linked Conditions**" and, together with the Note Conditions, the "**Base Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Base Conditions and the Commodity Linked Conditions, the Commodity Linked Conditions shall prevail. In the event of any inconsistency between (a) the Base Conditions and/or the Commodity Linked Conditions and (b) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Commodity Linked Conditions to "Holder" or "Holders" and "Noteholder" or "Noteholders" shall be deemed to be references to a holder or the holders, as the case may be, of relevant Notes. Capitalised terms used but not otherwise defined in these Commodity Linked Conditions shall have the meaning given to them in the Base Conditions or the applicable Final Terms, as the case may be.

1. Definitions applicable to Commodity Linked Notes

"**Basket of Commodities**" means, in relation to a particular Note, a basket composed of Commodities and/or Commodity Indices in the relative proportions specified in the applicable Final Terms.

"**Bullion**" means, Gold, Silver, Platinum or Palladium.

"**Bullion Business Day**" means, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York.

"**Calculation Agent Determination**" means that the Calculation Agent will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

"**Commodity**" and "**Commodities**" means, subject to adjustment in accordance with these Commodity Linked Conditions, in the case of an issue of Commodity Linked Notes relating to a Basket of Commodities, each commodity and, in the case of an issue of Commodity Linked Notes relating to a single Commodity, the Commodity, in each case specified in the applicable Final Terms and related expressions shall be construed accordingly.

"**Commodity Business Day**" means in respect of a Commodity and a Commodity Reference Price (i) for each Commodity Reference Price which is a price announced or published by an Exchange (other than in respect of Bullion), a day that is (or would have been, but for the occurrence of a Market Disruption Event) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time, (ii) for each Commodity Reference Price which is not a price announced or published by an Exchange (other than in respect of Bullion), a day in respect of which the relevant Price Source publishes (or would have published, but for the occurrence of a Market Disruption Event) the relevant price, (iii) for each Commodity Reference Price in respect of Bullion, a Bullion Business Day, or (iv) as otherwise specified in the applicable Final Terms.

"**Commodity Index Cut-Off Date**" means, in respect of a Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source), the date specified in the applicable Final Terms, or if not so specified, the day falling two

Business Days immediately preceding the relevant Payment Date or Settlement Date, as applicable of the amount calculated in respect of such Pricing Date (or other date as aforesaid).

"**Commodity Index**" means, subject to adjustment in accordance with the Commodity Linked Conditions, an index comprising various commodities or commodity prices, as specified in the applicable Final Terms.

"**Commodity Reference Price**" means (i) in respect of all Commodities, the Commodity Reference Price specified in the applicable Final Terms and (ii) in respect of a Commodity Index, the Commodity Reference Price specified in the applicable Final Terms, or if not so specified, the official closing price of such Commodity Index.

"**Commodity Trading Disruption**" means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange.

For these purposes:

(a) a suspension of the trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if:

(i) all trading in the Futures Contract or the Commodity is suspended for the entire Pricing Date; or

(ii) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

(b) a limitation of trading in the Futures Contract or the Commodity 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 Futures Contract or the Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

"**Delayed Publication or Announcement**" means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for two consecutive Commodity Business Days. In that case, the next Disruption Fallback (as defined below) specified in the applicable Final Terms will apply.

"**Delivery Date**" means, in respect of a Commodity Reference Price, the relevant date or month for delivery of the Commodity as specified in the applicable Final Terms and determined by the Calculation Agent as follows:

(i) if a date is, or a month and year are, specified, that date or that month and year;

(ii) if a Nearby Month is specified, the month of expiration of the relevant Futures Contract; and

(iii) if a method is specified for the purpose of determining the Delivery Date, the date or month and year determined pursuant to that method.

"**Disappearance of Commodity Reference Price**" means:

(i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange;

(ii) the disappearance of, or of trading in, the Commodity; or

(iii) 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 Futures Contract or the Commodity.

"**Exchange**" means, in relation to a Commodity, the exchange or principal trading market specified as such for such Commodity in the applicable Final Terms or Commodity Reference Price.

"**Fallback Reference Price**" means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Market Disruption Event.

"**Futures Contract**" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity or Commodity Index referred to in that Commodity Reference Price.

"**Material Change in Content**" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

"**Material Change in Formula**" means the occurrence since the Trade Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price.

"**Nearby Month**" when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by the numerical adjective, so that, for example, (i) "**First Nearby Month**" means the month of expiration of the first Futures Contract to expire following that Pricing Date and (ii) "**Second Nearby Month**" means the month of expiration of the second Futures Contract to expire following that Pricing Date etc.

"**Postponement**" means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date). In that case, the next Disruption Fallback specified in the definition of "Disruption Fallback" below will apply.

"**Price Source**" means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the specified Commodity Reference Price or otherwise in the applicable Final Terms.

"**Price Source Disruption**" means:

(i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price; or

(ii) the temporary or permanent discontinuance or unavailability of the Price Source.

"**Pricing Date**" has the meaning given it in the applicable Final Terms.

"**Relevant Price**" means for any Pricing Date, the price, expressed as a price per unit of the Commodity or the price of the Commodity Index, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Linked Notes Conditions and the applicable Final Terms.

"**Specified Price**" means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source) as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (a) the high price; (b) the low price; (c) the average of the high price and the low price; (d) the closing price; (e) the opening price; (f) the bid price; (g) the asked price; (h) the average of the bid price and the asked price; (i) the settlement price; (j) the official settlement price; (k) the official price; (l) the morning fixing; (m) the afternoon fixing; (n) the spot price; or (o) any other price specified in the applicable Final Terms.

2. Terms relating to Calculation of Prices

(a) Common Pricing

With respect to Commodity Linked Notes relating to a Basket of Commodities, if "Common Pricing" is specified in the applicable Final Terms as:

(i) "Applicable" then, no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices are (or but for the occurrence of a Market Disruption Event would have been) scheduled to be published or announced.

(ii) "Not Applicable" then, a date will be a Pricing Date regardless of whether such date is a day on which all referenced Commodity Reference Prices are (or but for the occurrence of a Market Disruption Event would have been) scheduled to be published or announced.

(b) For the avoidance of doubt, in case of both (i) and (ii) above if the Calculation Agent determines that a Market Disruption Event has occurred or exists on the Pricing Date in respect of any Relevant Commodity and/or Commodity Index in a Basket of Commodities (each an "**Affected Commodity**")**,** the Relevant Price of each Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Market Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Price for each Affected Commodity shall be determined in accordance with the first applicable Disruption Fallbacks.

All determinations made by the Calculation Agent pursuant to this condition will be conclusive and binding on the Holders and the Issuer, except in the case of manifest error.

(c) Correction to Published Prices

For purposes of determining or calculating the Relevant Price, if the price published or announced on a given day and used or to be used by the Calculation Agent to determine a Relevant Price is

subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days after the original publication or announcement (or, if earlier the day falling two Commodity Business Days preceding the date on which payment of any amount to be calculated by reference to such Relevant Price is to be made), the Calculation Agent may, in its sole discretion, use such corrected price in such calculation.

3. Market Disruption and Disruption Fallback

If, in the opinion of the Calculation Agent, a Market Disruption Event (as defined below) has occurred and is continuing on any Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source), the Relevant Price for that Pricing Date will be determined by the Calculation Agent, in accordance with the first applicable Disruption Fallback (as set out below) that provides a Relevant Price:

(a) Market Disruption Event

"**Market Disruption Event**" means the occurrence of any of the following events:

(i) with respect to all Commodities:

(A) Price Source Disruption;

(B) Commodity Trading Disruption;

(C) Disappearance of Commodity Reference Price;

(D) any additional Market Disruption Events as specified in the applicable Final Terms; and

(ii) in addition, with respect to all Commodities other than Bullion:

(A) Material Change in Formula;

(B) Material Change in Content; and

(iii) with respect to a Commodity Index:

(A) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (x) the Commodity Reference Price or (y) closing price for any futures contract included in the Commodity Index;

(B) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Index which results in a failure by the exchange on which each applicable futures contract is traded to report a closing price for such contract on the day on which such event occurs or any succeeding day on which it continues; or

(C) the closing price for any futures contract included in the Commodity Index is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.

(iv) Disruption Fallback

"**Disruption Fallback**" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date in respect of the relevant Note. A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified in the applicable Final Terms, shall mean:

(A) with respect to a relevant Commodity, (in the following order):

I. Fallback Reference Price (if applicable);

II. Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date)) provided, however, that the price determined by Postponement shall be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within those two consecutive Commodity Business Days); and

III. Calculation Agent Determination;

(B) with respect to a Commodity Index the Calculation Agent shall determine the Relevant Price:

(a) using:

(i) with respect to each futures contract included in the Commodity Index which is not affected by the Market Disruption Event, the closing prices of each such contract on the applicable determination date; and

(ii) with respect to each futures contract included in the Commodity Index which is affected by the Market Disruption Event, the closing prices of each such contract on the first day following the applicable determination date on which no Market Disruption Event is occurring with respect to such contract; or

(b) as specified in the applicable Final Terms.

Subject as provided below, the Calculation Agent shall determine the Relevant Price by reference to the closing prices determined in (a)(i) and (a)(ii) above or as provided in (b) above using the then current method for calculating the Commodity Reference Price.

Where a Market Disruption Event with respect to one or more futures contracts included in the Commodity Index has occurred on an applicable determination date and continues to exist as of the relevant Commodity Index Cut-Off Date for such applicable determination date, Calculation Agent Determination shall apply.

4. Adjustments to a Commodity Index

(a) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Issuer, 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 Commodity Index, then in each case that index (the "**Successor Index**") will be deemed to be the Commodity Index.

(b) Modification and Cessation of Calculation of a Commodity Index

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) and (iii) to be collectively referred to as "Index Adjustment Events") calculate the Relevant Price using in lieu of the published level for that Commodity Index, the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

(c) Corrections to a Commodity Index

If the level of a relevant Commodity Index published on any Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source) by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor and which is utilised for any calculation or determination made for the purposes of the Commodity Linked Notes (a "**Relevant Calculation**") is subsequently corrected and the correction (the "**Corrected Commodity Index Level**") published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor no later than two Business Days prior to the date of payment of any amount to be calculated by reference to the Relevant Calculation then such Corrected Commodity Index Level shall be deemed to be the relevant level for such Commodity Index on such Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source) and the Calculation Agent shall use such Corrected Commodity Index Level in determining the relevant level or price.

For the avoidance of doubt, where adjustments are made to a relevant Commodity Index is in accordance with (a), (b) or (c) above, no Market Disruption Event will have occurred under Commodity Linked Condition 3(a)(iii).

5. Definitions relating to Commodity Linked Notes exposed to Carbon Emissions

Subject as provided above, for purposes of determining the Commodity Price for a Commodity or Commodity Index relating to the carbon emissions trading market, certain additional provisions are set forth below.

The language in italics below is included for information purposes only and does not form part of the Base Prospectus.

*The market for carbon emission allowances or credits has emerged as a consequence of the Kyoto Protocol, and covers both industrial and developing countries. Industrial countries are given emission obligations in the Kyoto Protocol. The EU introduced its own emission trading scheme (the "**EU-ETS**") in 2005 (following Directive 2003/87/EC), which extends beyond the 2012 termination of the Kyoto Period.*

*Credits that can be earned through the Kyoto mechanisms include certified emission reductions ("**CERs**") and emission reduction units ("**ERUs**"). Each allowance has a "value" corresponding to one tonne of carbon dioxide equivalent. Its price defines the cost of emitting greenhouse gases and may incentivise alternative courses of action, including reducing the output of a commodity which causes carbon emissions or installing new technology to reduce emissions.*

*A European Union allowance ("**EUA**") is the official name for Europe's emission allowances, which in 2008 was defined as the official Kyoto allowance for countries in the EU. One EUA entitles the holder to emit one tonne of carbon dioxide or carbon-equivalent greenhouse gas. The EU's member states issue new EUAs on 28 February every year to each company subject to the EU-ETS. These awards are made in accordance with an allocation plan approved by the European Commission which is based on the EU's application of the Kyoto Protocol's obligations to the industries covered by the EU-ETS. EUAs are awarded for one year at a time. By 30 April in each year, companies are obliged to "surrender" a number of EUAs, ERUs and CERs in total corresponding to their actual emissions in the preceding year. EUAs can also be saved from one year to another if a company releases less carbon dioxide or carbon-equivalent greenhouse gas than the EUAs it holds. EUAs have limited or zero value outside the EU-ETS.*

*A CER is the name for an emission credit obtained through the clean development mechanism (the "**CDM**"), implemented pursuant to the Kyoto Protocol. It means that a developing country has achieved a reduction in emissions of greenhouse gases equivalent to one tonne of carbon dioxide or carbon-equivalent greenhouse gas as a result of projects involving the transfer of capital and technology from an industrial country pursuant to the CDM. The other main Kyoto mechanism is Joint Implementation in which a developed country generates ERUs by achieving a reduction in emissions of the greenhouse gases governed by the Kyoto Protocol and its subsequent agreements.*

The carbon emissions trading market is subject to temporary distortions or other disruptions due to various factors, including the nascent nature of the market and the lack of liquidity therein, the participation of speculators and government regulation and intervention. In addition, EUAs have allegedly been stolen or "phished" from the national registries of several European countries and from the carbon trading accounts of market participants. This has caused severe market disruption in the European carbon trading market with delivery of EUAs and other carbon credits, including CERs and ERUs, suspended for significant periods.

(a) Commodity Reference Prices

Set out below are a series of provisions intended to be included under the heading "Commodity Reference Price" in the applicable Final Terms. In addition, where a Commodity Reference Price is not set forth below in respect of a Commodity or Commodity Index, then such Commodity Reference Price shall be as set forth in the relevant Final Terms, specifying: (1) the relevant Commodity (including, if relevant, the type or grade of that commodity, the location of delivery and any other details) or Commodity Index; (2) the relevant unit of measure (in the case of a Commodity); (3) the relevant Price Source, together with any applicable fallback; (4) the relevant currency in which the Specified Price is expressed; (5) the Specified Price; and if applicable (6) the Delivery Date, in which case the price for any relevant date will be that day's Specified Price as

announced, published or otherwise shown by the relevant Price Source on that date (or in respect of prices effective on that date).

(i) "**ICE ECX CFI EUA**" means that the price for a Pricing Date will be that day's Specified Price per tonne of EU Allowance on the ICE of the Futures Contract for the Delivery Date, stated in Euros, as made public by the ICE and displayed at www.theice.com, under the headings "Market Data: Report Center: End of Day Report: ICE Futures Europe: ICE Futures Europe: ICE ECX EUA Futures (Monthly)" or any successor headings or pages on that Pricing Date.

(ii) "**ICE ECX CFI CER**" means that the price for a Pricing Date will be that day's Specified Price per tonne of Certified Emission Reduction (CER) units on the ICE of the Futures Contract for the Delivery Date, stated in Euros, as made public by the ICE and displayed at www.theice.com, under the headings "Market Data: Report Center: End of Day Report: ICE Futures Europe: ICE Futures Europe: ECX CER Futures (Monthly)" or any successor headings or pages on that Pricing Date.

(iii) "**NASDAQ OMX EUA**" means that the price for a Pricing Date will be that day's Specified Price per tonne of EU Allowance on the NASDAQ OMX of the Futures Contract for the Delivery Date, stated in Euros, as made public by the NASDAQ OMX and displayed at www.nasdaqomxcommodities.com, under the headings "Market Information: Market Prices: Carbon Market: EUA: Futures" or any successor headings or pages on that Pricing Date.

(iv) "**NASDAQ OMX CER**" means that the price for a Pricing Date will be that day's Specified Price per tonne of EU Allowance on the NASDAQ OMX of the Futures Contract for the Delivery Date, stated in Euros, as made public by the NASDAQ OMX and displayed at www.nasdaqomxcommodities.com, under the headings "Market Information: Market Prices: Carbon Market: CER: Futures" or any successor headings or pages on that Pricing Date.

(b) Additional Definitions for these Commodity Linked Notes

"**Certified Emission Reduction**" or "**CER**" means a unit issued by the UN Clean Development Mechanism Executive Board pursuant to Article 12 of the Kyoto Protocol and the decision adopted pursuant to the UNFCCC or the Kyoto Protocol and is equal to one metric tonne of carbon dioxide equivalent.

"**EU Allowance**" means an "allowance" (as defined in EU Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, as amended from time to time (the "Directive")) that has been issued by a competent authority pursuant to Article 11(4) of the Directive.

"**ICE**" means ICE Futures, a wholly owned subsidiary of Intercontinental Exchange, or its successor.

"**NASDAQ OMX**" means NASDAQ OMX Group, Inc., or its successor.

"**UNFCCC**" means the United Nations Framework Convention on Climate Change.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED NOTES

The terms and conditions applicable to Fund Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**" or "**Conditions**") and the additional terms and conditions for Fund Linked Notes set out below (the "**Fund Linked Conditions**" and, together with the Note Conditions, the "**Base Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Base Conditions and the Fund Linked Conditions, the Fund Linked Conditions shall prevail. In the event of any inconsistency between (a) the Base Conditions and/or the Fund Linked Conditions and (b) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Fund Linked Conditions to "Holder" or "Holders" and "Noteholder" or "Noteholders" shall be deemed to be references to a holder or the holders, as the case may be, of relevant Notes. Capitalised terms used but not otherwise defined in these Fund Linked Conditions shall have the meaning given to them in the Base Conditions or the applicable Final Terms, as the case may be.

1. Definitions applicable to Fund Linked Notes

"**Adviser Termination Event**" means, in respect of any Reference Fund, the resignation, termination, or replacement of its Fund Adviser.

"**Affiliates**" 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 such purposes, 'control' of any entity or person means ownership of a majority of the voting power of the entity or person).

"**Assets Under Management Trigger**" means the aggregate net asset value of assets managed by the Reference Fund's Fund Manager or Fund Adviser falls below EUR 200,000,000 (or such other amount as specified in the applicable Final Terms) or its equivalent in the Specified Currency.

"**Averaging Date**" means, in respect of each Valuation Date, each date specified or otherwise determined as provided in the applicable Final Terms (or, (a) in respect of any Fund Interest to which Reported Value Method is applicable, if such date is not a Fund Business Day, the next following Fund Business Day, and (b) in respect of any Fund Interest to which Deemed Payout Method is applicable, if such day is not a Currency Business Day, the next following Currency Business Day), provided that if any Averaging Date is a Fund Disrupted Day, then:

(a) if 'Omission' is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Price. If no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the relevant price or amount on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date;

(b) if 'Postponement' is specified in the applicable Final Terms, then such Averaging Date shall be deemed to be a Valuation Date that was a Fund Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Fund Linked Notes; or

(c) if 'Modified Postponement' is specified in the applicable Final Terms, then:

(i) in respect of a single Fund Interest, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred prior to the last day of the Cut-off Period starting on the original date that, but for the occurrence of

another Averaging Date or Fund Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (A) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant price or amount for that Averaging Date shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Averaging Date;

(ii) in respect of a Basket of Fund Interests, the Averaging Date for each Fund Interest not affected by the occurrence of a Fund Disrupted Day shall be the date specified in the applicable Final Terms as an Averaging Date in respect of the relevant Valuation Date and the Averaging Date for any Fund Interest affected by the occurrence of a Fund Disrupted Day shall be the first succeeding Valid Date in relation to such Fund Interest. If the first succeeding Valid Date has not occurred prior to the last day of the Cut-off Period starting on the original date that, but for the occurrence of another Averaging Date or Fund Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (A) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (B) the Calculation Agent shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Averaging Date.

If any Averaging Dates in relation to a Valuation Date occurs after that Valuation Date as a result of the occurrence of a Fund Disrupted Day, then (i) the relevant Redemption Payment Date, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date.

"**Basket**" means a basket composed of such Reference Funds specified in the applicable Final Terms in the relative proportions or number of Fund Interest Units of each Reference Fund specified in the applicable Final Terms.

"**Benchmark Change**" means the material alteration of the stated benchmark of the Reference Fund specified in the applicable Final Terms.

"**Breach or Termination of Trading Agreement**" means (a) the Reference Fund and/or the Fund Manager and/or the Fund Adviser fail to execute a Trading Agreement, if required by the Calculation Agent, or (b) any breach, violation or termination by the Reference Fund and/or the Fund Manager and/or the Fund Adviser of the Trading Agreement.

"**Cash Loan**" means a notional loan specified as such in the applicable Final Terms.

"**Change in Law**" means any actual or anticipated change in law or regulation or the administration or interpretation thereof (whether formal or informal) after the Trade Date or Issue Date, as the case may be, which:

(a) causes a Hypothetical Investor to incur a materially increased cost in performing its obligations in respect of the security issued by the Hypothetical Investor similar to the Notes; or

(b) results in it becoming illegal for a Hypothetical Investor to hold, acquire or dispose of Fund Interests Units; or

(c) results in it becoming illegal for the Reference Fund, Fund Manager and/or the Fund Adviser to rebate fees or to vary any other term of the Fund Documents by agreement with individual investors and/or the Hypothetical Investor.

"**Change in Tax Law**" means any actual or anticipated change in tax law or regulation or the administration or interpretation thereof (whether formal or informal) after the Trade Date or Issue Date, as the case may be, which causes a Hypothetical Investor to incur a materially increased cost in performing its obligations in respect of a security issued by the Hypothetical Investor similar to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Change in Treatment**" means any change in the legal, tax, accounting or regulatory treatment of the Reference Fund, its Fund Manager and/or the Fund Adviser that is reasonably likely to have an adverse impact on the value of such Fund Interests Units or on any investor therein.

"**Currency Business Day**" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the relevant currency or, in respect of euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system is open shall be a Currency Business Day.

"**Cut-off Period**" means, in respect of any date, the period specified as such the applicable Final Terms, or if no such period is specified, a period of one calendar year ending on the first anniversary of such date; provided that if a 'Final Cut-off Date' is specified in the applicable Final Terms, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date.

"**Deemed Payout Method**" means, in relation to any Fund Interest, a certain valuation method reflected in the operations of the Relevant Price, Final Price and other provisions herein, and which shall be applicable to such Fund Interest if so specified in the applicable Final Terms.

"**Due Diligence Failure**" means that a Reference Fund fails to satisfy the requirements of the Calculation Agent's initial and ongoing due diligence process and other internal control procedures (as such procedures may be amended from time to time).

"**Extraordinary Dividend**" means an amount per relevant Fund Interest Unit or other amount of Fund Interest so specified in the applicable Final Terms. If not so specified or determined in the Final Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent acting in good faith.

"**Extraordinary Event**" means, with respect to a Fund Linked Note, a Nationalisation, Insolvency and/or any applicable Extraordinary Fund Event, as the case may be, specified in the applicable Final Terms.

"**Extraordinary Fund Event**" means the Calculation Agent has the right but not the obligation to declare the occurrence (or waive) any one or more of the following events - Fund Insolvency Event, Adviser Termination Event, Strategy Breach, Regulatory Action, Reporting Disruption, Change in Law, Modification of Fund Documents, Hedging Disruption, Increased Cost of Hedging, Change in Law, Change in Tax Law, NAV Disruption Event, Failure to Deliver Information, Legal Action, Change in Treatment, Due Diligence Failure, Breach or Termination of Trading Agreement, NAV Trigger Event, Key Person Event, Minimum Outstanding Amount of Notes, Benchmark Change, Organisational Change, Assets Under Management Trigger and/or any other event specified in the applicable Final Terms (each a "**Reallocation Event**") and shall not be liable to any person for losses resulting from any such declaration (or waiver), its timing or consequential removal, reallocation or

termination. The Calculation Agent shall make all determinations, including decisions as to materiality, in its sole discretion.

"**Failure to Deliver Information**" means any failure of the Reference Fund to deliver, or cause to be delivered, (A) information that such Reference Fund and/or the Fund Manager and/or the Fund Adviser has agreed to deliver or cause to be delivered to the Calculation Agent, or (B) information that has been previously delivered to the Calculation Agent in accordance with such Reference Fund's or its authorised representative's normal practice and that the Calculation Agent deems necessary for it to monitor such Reference Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Interests Units.

"**Final Observation Date**" means the date specified as such in the applicable Final Terms.

"**Final Price**" means, in respect of each Valuation Date, the price per related Fund Interest Unit determined by the Calculation Agent either as provided in the applicable Final Terms as of the Valuation Time on the Valuation Date or, if no means for determining the Final Price are so provided, pursuant to the following provisions:

(a) in respect of any Fund Interest to which Reported Value Method is applicable, the Final Price shall be the Reported Fund Interest Value per related Fund Interest Unit determined as of the Valuation Date, subject to the applicable Reported Value Convention; provided that if the applicable Final Terms specifies that the Reported Value Method is subject to Calculation Agent Adjustment, the Calculation Agent shall (A) adjust the Reported Fund Interest Value to reflect, without duplication, the relevant portion per Fund Interest Unit of (x) such fees and costs as would be charged to the Hypothetical Investor pursuant to the Fund Documents, (y) such other fees as are specified as 'Redemption Fees' in the applicable Final Terms and (z) the Redemption Proceeds relating to such Fund Interest Unit, in each case in connection with a deemed redemption as of the Scheduled Redemption Valuation Date relating to such Valuation Date of all Fund Interest Units that are subject to valuation and (B) if the Calculation Agent determines that no adjustment that it could make under (A) will produce a commercially reasonable result, notify the parties that Deemed Payout Method shall apply; or

(b) in respect of any Fund Interest to which Deemed Payout Method is applicable, the Final Price per related Fund Interest Unit in respect of a Valuation Date shall be an amount equal to the Redemption Proceeds relating to such Fund Interest Unit that would be received by the Hypothetical Investor in such Fund Interest, in connection with a redemption of all Fund Interest Units that are subject to valuation during the period from, and including, the Initial Observation Date to, and including, the Final Observation Date relating to such Valuation Date.

"**Following Redemption Valuation Date**" means that such Valuation Date or Averaging Date, as applicable, shall be postponed until the next following Scheduled Redemption Valuation Date, without prejudice to any further adjustments pursuant to the Fund Disrupted Day provisions, and the Reported Fund Interest Value shall be determined as of such Scheduled Redemption Valuation Date.

"**Fund Administrator**" means any person specified as such in the applicable Final Terms or if no person is so specified, the fund administrator, adviser, trustee or similar person with the primary administrative responsibilities for such Reference Fund according to the Fund Documents.

"**Fund Adviser**" means any person specified as such in the applicable Final Terms or if no person is so specified, any person appointed in the role of discretionary or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary adviser) for such Reference Fund.

"**Fund Business Day**" means a day on which the Reference Fund accepts subscription and redemption orders as specified in the Fund Documents.

"**Fund Component**" means a notional investment in the Reference Fund or Basket of Reference Funds specified as such in the applicable Final Terms.

"**Fund Disrupted Day**" means any day on which a Fund Disruption Event has occurred or is continuing. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the parties or other party, as the case may be, of the occurrence of a Fund Disrupted Day on any day that, but for the occurrence or continuance of a Fund Disrupted Day, would have been an Averaging Date, or a Valuation Date, as the case may be. Without limiting the obligation of the Calculation Agent to notify the parties as set forth in the preceding sentence, failure by the Calculation Agent to notify the parties of the occurrence of a Fund Disrupted Day shall not affect the validity of the occurrence and the effect of such Fund Disrupted Day on the Notes.

If any Valuation Date is a Fund Disrupted Day then:

(a) where the Notes are specified in the applicable Final Terms to relate to a single Fund Interest, the Valuation Date shall be the next succeeding day that is not a Fund Disrupted Day, unless no day that is not a Fund Disrupted Day has occurred prior to the last day of the Cut-off Period starting on the Scheduled Valuation Date. In that case, (i) the last day of such Cut-off Period shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Fund Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Valuation Date; and

(b) where the Notes are specified in the applicable Final Terms to relate to a Basket of Fund Interests, to the extent it relates to any Fund Interest to which Reported Value Method or Deemed Payout Method is applicable, the Valuation Date for each Fund Interest not affected by the occurrence of a Fund Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Fund Interest affected by the occurrence of a Fund Disrupted Day shall be the first succeeding day that is not a Fund Disrupted Day relating to that Fund Interest, unless no day that is not a Fund Disrupted Day has occurred prior to the last day of the Cut-off Period starting on the Scheduled Valuation Date. In that case, (i) the last day of such Cut-off Period shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Fund Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Valuation Date.

"**Fund Disruption Event**" means, unless otherwise specified in the applicable Final Terms, in respect of any Fund Interest (a) to which Reported Value Method is applicable, the occurrence or existence of a Fund Valuation Disruption and (b) to which Deemed Payout Method is applicable, a Fund Settlement Disruption, in each case as determined by the Calculation Agent as of the Valuation Time on the relevant Valuation Date, Averaging Date and at such other relevant dates and times as specified in the applicable Final Terms.

"**Fund Documents**" means, with respect to any Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Reference Fund specifying the terms and conditions relating to such Fund Interest and any additional fund documents, in each case, as amended from time to time.

"**Fund Hedging Disruption**" means, with respect to a Fund Linked Note, that the Hedging Party is unable, or it is impractical for the Hedging Party, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it

deems necessary or appropriate to hedge the price risk relating to such Fund Interest of entering into and performing its obligations with respect to such Fund Linked Note, or (b) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (i) any restrictions or increase in charges or fees imposed by the relevant Reference Fund on any investor's ability to redeem such Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (ii) any mandatory redemption, in whole or in part, of such Fund Interest imposed by the relevant Reference Fund (in each case other than any restriction in existence on the date on which such Fund Interest was first included in such Fund Linked Note).

"**Fund Insolvency Event**" means, at any time, the winding-up, dissolution, liquidation, bankruptcy, insolvency, creditors' arrangement or any cessation of trading (or an event with analogous effect) of the Reference Fund or a Fund Service Provider unless the affected Fund Service Provider is replaced with a successor acceptable to the Calculation Agent.

"**Fund Interest**" means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms.

"**Fund Interest Unit**" means, in respect of a Fund Interest in a Reference Fund, a share of such Fund Interest or, if Fund Interests in such Reference Fund are not denominated as shares, a notional unit of account of ownership of such Fund Interest in such Reference Fund in the amount specified in the applicable Final Terms; provided that if no such amount is so specified, then the entire amount of Fund Interest in which the Hypothetical Investor is deemed to invest on the Trade Date shall be a single Fund Interest Unit.

"**Fund Linked Notes**" means Fund Linked Interest Notes or Fund Linked Redemption Notes.

"**Fund Manager**" means any person specified as such in the applicable Final Terms or if no person is so specified, any person appointed in the role of discretionary or non-discretionary investment manager (including a non-discretionary investment manager to a discretionary investment manager or to another non-discretionary adviser) for such Reference Fund.

"**Fund Reporting Date**" means, with respect to any Fund Interest and Fund Valuation Date, the date on which the Reported Fund Interest Value of such Fund Interest as determined as of such Fund Valuation Date is reported or published.

"**Fund Service Provider**" means, in respect of any Reference Fund, any person who is appointed to provide services, directly or indirectly, for that Reference Fund, whether or not specified in the Fund Documents, including any Fund Adviser, Fund Administrator, Fund Manager, 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 Settlement Disruption**" means, in respect of a Fund Interest and any day, a failure by the Reference Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds with respect to the relevant number of Fund Interest Units or amount of such Fund Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests).

"**Fund Valuation Date**" means, with respect to any Fund Interest, a date as of which the related Reference Fund (or it is a Fund Service Provider that generally determines such value) determines the value of such Fund Interest or, if the related Reference Fund only reports its aggregate Net Asset Value, a date as of which such Reference Fund determines its aggregate Net Asset Value.

"**Fund Valuation Disruption**" means, (a) in respect of a Fund Interest to be valued using the Reported Value Method for which the applicable Reported Value Convention is either Prior Redemption Valuation Date or Following Redemption Valuation Date, the failure of a Scheduled Redemption Valuation Date to be a Redemption Valuation Date or any continued postponement of such Redemption Valuation Date, and (b) for any other Fund Interest, the failure of a Scheduled Fund Valuation Date to be a Fund Valuation Date or any continued postponement of such Fund Valuation Date.

"**Hedging Disruption**" means:

(a) any event or circumstance that results or is likely to result in a Hypothetical Investor being unable, or it being impractical, to purchase, redeem for cash, hold or transfer Fund Interest Units, including but not limited to the suspension by the Reference Fund of Fund Interest Units subscriptions or redemptions and compulsory redemptions;

(b) a Hypothetical Investor is subject to new or more onerous restrictions on its ability to subscribe for, transfer or redeem, Fund Interest Units (including but not limited to the imposition of, or increase in, fees or charges in relation to redemptions, subscriptions or transfers of Fund Interest Units) or a change in the voting rights attached to the Fund Interest Units, in each case as compared with those (if any) applicable to the Hypothetical Investor on the Issue Date;

(c) a Hypothetical Investor is prevented, due to circumstances beyond its control, from remitting (i) subscription monies and/or redemption proceeds in respect of the Fund Interest Units; or (ii) any payments relating to any over-the-counter derivative transaction(s) linked to the Fund Interest Units.

"**Hedging Party**" means the Issuer and/or any Affiliate and/or any other party which conducts or may conduct hedging arrangements in respect of the Issuer's obligations in respect of the Notes from time to time.

"**Hypothetical Investor**" means, unless otherwise specified in the applicable Final Terms, with respect to any Fund Interest, a hypothetical investor in such Fund Interest located in a Hypothetical Investor Jurisdiction and deemed: (a) to have the benefits and obligations, as provided under the Fund Documents, of an investor holding, as of the related Reference Fund Subscription Date, an interest in the relevant Reference Fund in an amount equal to the number of Fund Interest Units; (b) in the case of any deemed investment in such Fund Interest, to have submitted, on the relevant Subscription Notice Date, a duly completed notice to the relevant Reference Fund, requesting subscription to the relevant number of Fund Interest Units; and (c) in the case of any deemed redemption of such Fund Interest, to have submitted to the relevant Reference Fund on the relevant Redemption Notice Date a duly completed notice requesting redemption of the relevant number of Fund Interest Units.

"**Hypothetical Investor Jurisdiction**" means the jurisdiction of organisation or formation, as applicable, of the Issuer, unless otherwise specified in the applicable Final Terms.

"**Increased Cost of Hedging**" means a Hypothetical Investor would incur:

(a) a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest Unit as a result of entering into and performing its obligations with respect to the issue of a security similar to the

Notes, and any Notes associated with unwinding any hedge positions relating to a security similar to the Notes; and

(b) an increase in charges or fees is imposed by the Reference Fund on any investor's ability to redeem Fund Interest Units, in whole or in part, or any existing or new investor's ability to make new or additional investments in the Fund Interest Units.

"**Initial Observation Date**" means the date specified as such in the applicable Final Terms.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Reference Fund, (a) all the Fund Interests of that Reference Fund are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Fund Interests of that Reference Fund become legally prohibited from transferring or redeeming them.

"**Key Person Event**" means the resignation, termination, death or replacement of any key person specified in the applicable Final Terms.

"**Legal Action**" means any legal action, suit or proceeding has been taken or brought, or is threatened or pending, against the Reference Fund or any of its Fund Service Providers which, if resolved against the Reference Fund or Fund Service Provider has, or would have, a material adverse effect on the reputation of the Reference Fund and/or the price of its Fund Interest Units.

"**Minimum Outstanding Amount of Notes**" means the aggregate nominal amount of the Notes minus the nominal amount of the Notes repurchased and/or cancelled by the Issuer at any time is less than USD 200,000 (or such other amount as specified in the applicable Final Terms) or its equivalent in the Specified Currency.

"**Modification of Fund Documents**" means any material change to or modification of the Fund Documents or investment procedures (including but not limited to, the Reference Fund's (a) strategy; (b) investment guidelines; (c) liquidity, where such a change in liquidity results in an increase in volatility; (d) types of investments in which the Reference Fund invests, their liquidity, term, credit risk and diversification; (e) accounting currency), in each case as compared with those prevailing on the Issue Date.

"**Nationalisation**" means that all the Fund Interests or all or substantially all the assets of a Reference Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**NAV**" or "**Net Asset Value**" means the net asset value of the Fund Interest Unit as calculated by the Fund Administrator or the Reference Fund in accordance with the Fund Documents.

"**NAV Disruption Event**" means the Fund Administrator or the Reference Fund fails, for any reason other than of a technical or operational nature, to calculate and announce the official NAV within the number of days specified in the applicable Final Terms, of the date on which such NAV was originally scheduled to be announced or the occurrence of any other event affecting the Fund Interest Units that, in the determination of the Calculation Agent, would make it impossible or impracticable for it to determine the value of such Fund Interest Units for any reason other than of a technical or operational nature.

"**NAV Trigger Event**" means, the official Net Asset Value of the Fund Interest Units has decreased by an amount equal to or greater than the percentage amount specified in the applicable Final Terms during the period specified in the applicable Final Terms.

"**Organisational Change**" means a change to the Reference Fund's organisation or its management whether or not via merger or other reorganisation event.

"**Potential Adjustment Event**" means any of the following:

(a) a subdivision, consolidation or reclassification of the relevant number of Fund Interest Units or amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalization or similar issue;

(b) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of such Fund Interest, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Fund Interest, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Fund as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(c) an Extraordinary Dividend;

(d) a repurchase by the Reference Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests that is consistent with the Fund Documents; or

(e) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest.

"**Prior Redemption Valuation Date**" means that the Reported Fund Interest Value shall be determined as of the immediately preceding Scheduled Redemption Valuation Date, subject to the Fund Disrupted Day provisions.

"**Reallocation Event**" means upon the declaration of the Calculation Agent of an Extraordinary Event in (each a "**Reallocation Event**") in respect of a Reference Fund (the "**Affected Reference Fund**") the Calculation Agent, shall notionally liquidate all Fund Interest Units in the Reference Fund and use reasonable efforts to identify an alternative fund or basket of funds in substitution for the Affected Reference Fund (the "**Successor Reference Fund**") and on the Redemption Payment Date, or as soon as practicable thereafter, the Calculation Agent shall, if a Successor Reference Fund has been identified, notionally invest the Removal Value in such Successor Reference Fund.

"**Redemption Notice Date**" means, with respect to any Fund Interest and any Valuation Date or Averaging Date, the date specified as such, in the applicable Final Terms, or if no such date is specified, the last date on which a Hypothetical Investor in such Fund Interest would be permitted, pursuant to the Fund Documents of the related Reference Fund, to submit a redemption notice that would be timely for a redemption as of (a) if Reported Value Method is applicable, the Scheduled Redemption Valuation Date occurring on such Valuation Date or Averaging Date, as the case may be, or if no Scheduled Redemption Valuation Date is occurring on such Valuation Date or Averaging Date, the immediately preceding Scheduled Redemption Valuation Date, or (b) if Deemed Payout Method is applicable, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date.

"**Redemption Payment Date**" means, with respect to any Fund Interest and any Scheduled Redemption Valuation Date, each date on which the related Reference Fund actually pays all or the

specified portion of the Redemption Proceeds to a Hypothetical Investor that has submitted a timely and valid notice for redemption of such Fund Interest as of such Scheduled Redemption Valuation Date.

"**Redemption Proceeds**" means, with respect to the relevant number of Fund Interest Units or amount of any Fund Interest, the redemption proceeds, as determined by the Calculation Agent, that would be paid by the related Reference Fund to a Hypothetical Investor who, as of the relevant Redemption Valuation Date, redeems such amount of such Fund Interest; provided that (a) any such proceeds that would be paid in property other than cash shall be valued by the Calculation Agent and (b) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the applicable Final Terms.

"**Redemption Valuation Date**" means, with respect to any Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) would determine the Net Asset Value of such Fund Interest for purposes of calculating the Redemption Proceeds to be paid to a Hypothetical Investor that had submitted a valid notice for redemption on or before the related Redemption Notice Date.

"**Reference Fund**" means, in respect of a Fund Interest, unless otherwise specified in the applicable Final Terms, the issuer of, or other legal arrangement giving rise to, the relevant Fund Interest.

"**Reference Fund Subscription Date**" means the date specified as such in the applicable Final Terms or, if no such date is specified, with respect to any Fund Interest, the day as of which a request by a Hypothetical Investor for subscription to such Fund Interest that has been submitted on the related Subscription Notice Date and in a form and substance acceptable to the related Reference Fund would be considered effective by the Fund.

"**Regulatory Action**" means:

(a) an investigation is made by any governmental or regulatory entity into the activities of the Reference Fund or any Fund Service Provider for reasons of alleged wrongdoing, breach of rule or regulation or other similar reason which allegation, if true, would have a material adverse effect on the reputation of the Reference Fund and/or its share price; or

(b) the cancellation, suspension or revocation of any licence, registration, authorisation or regulatory approval of the Reference Fund or any Fund Service Provider where such licence, registration or approval is material to the ability of the Reference Fund or Fund Service Provider to operate in accordance with the Fund Documents.

"**Relevant Price**" means, on any day, in respect of a Fund Interest, the price per related Fund Interest Unit as determined by the Calculation Agent either as provided in the applicable Final Terms as of the Valuation Time on the Valuation Date or Averaging Date, as the case may be, or either:

(a) in respect of any Fund Interest to which the Reported Value Method is applicable, the Relevant Price shall be the Reported Fund Interest Value per related Fund Interest Unit determined as of the Valuation Date or Averaging Date, as the case may be, subject to the applicable Reported Value Convention; provided that if the applicable Final Terms provides that the Reported Value Method is subject to Calculation Agent Adjustment, the Calculation Agent shall: (i) adjust the Reported Fund Interest Value to reflect, without duplication, the relevant portion per Fund Interest Unit of: (A) such fees and costs as would be charged to the Hypothetical Investor pursuant to the Fund Documents, (B) such other fees as are specified as 'Redemption Fees' in the applicable Final Terms, and (C) the Redemption Proceeds relating to such Fund Interest Unit, in each case in connection with a deemed

redemption as of the Scheduled Redemption Valuation Date relating to such Valuation Date or Averaging Date, as the case may be, of all Fund Interest Units that are subject to valuation; and (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, notify the parties that Deemed Payout Method shall apply; and

(b) in respect of any Fund Interest to which Deemed Payout Method is applicable, the Relevant Price per related Fund Interest Unit in respect of a Valuation Date or Averaging Date, as the case may be, shall be an amount equal to the Redemption Proceeds relating to such Fund Interest Unit that would be received by the Hypothetical Investor in the such Fund Interest in connection with a redemption of all Fund Interest Units that are subject to valuation during the period from, and including, the Initial Observation Date to, and including, the Final Observation Date relating to such Valuation Date or Averaging Date, as the case may be.

"**Removal End Date**" means the date on which Redemption Proceeds are paid to a Hypothetical Investor.

"**Removal Event**" shall be declared by the Calculation Agent if, following a Reallocation Event relating to the Reference Fund, it is unable to identify a Successor Fund by the Removal End Date. On the Removal End Date the Calculation Agent will allocate the Removal Value to a notional zero coupon bond or such other instrument(s) specified in the applicable Final Terms, for the remainder of the term of the Notes.

"**Removal Value**" means the Redemption Proceeds minus (a) all expenses and costs incurred by a Hypothetical Investor in connection with (i) redemption of Fund Interest Units in the Affected Fund; (ii) subscription for Fund Interest Units in the Successor Reference Fund; and (b) a spread and cost of funding.

"**Reported Fund Interest Value**" means, with respect to the relevant number of Fund Interest Units or amount of any Fund Interest and Fund Reporting Date relating to such Fund Interest, the value of such number of Fund Interest Units or amount of such Fund Interest as of the related Fund Valuation Date or, if the related Reference Fund reports only its aggregate Net Asset Value, the portion of such Reference Fund's aggregate Net Asset Value relating to such number of Fund Interest Units or amount of such Fund Interest as of the related Fund Valuation Date, in each case as reported on such Fund Reporting Date by the Fund Service Provider that generally reports such value on behalf of the Reference Fund to its investors or a publishing service.

"**Reported Value Convention**" means the method for determining the Reported Fund Interest Value with respect to any Fund Interest as of any Valuation Date or Averaging Date that is not a Scheduled Fund Valuation Date or Scheduled Redemption Valuation Date, as applicable. The following terms, when used to specify the Reported Value Convention, shall result in the Reported Fund Interest Value to be determined as follows:

(a) if 'Prior Redemption Valuation Date' is specified, or if no other Reported Value Convention is specified, the Reported Fund Interest Value shall be determined as of the immediately preceding Scheduled Redemption Valuation Date;

(b) if 'Prior Fund Valuation Date' is specified, the Reported Fund Interest Value shall be determined as of the immediately preceding Scheduled Fund Valuation Date;

(c) if 'Last Reported Value' is specified, the Reported Fund Interest Value shall be the most recently available Reported Fund Interest Value for the relevant number of Fund Interest Units or amount of the relevant Fund Interest;

(d) if 'Following Fund Valuation Date' is specified, then such Valuation Date or Averaging Date, as applicable, shall be postponed until the next following Scheduled Fund Valuation Date and the Reported Fund Interest Value shall be determined as of such Scheduled Fund Valuation Date; and

(e) if 'Following Redemption Valuation Date' is specified, then such Valuation Date or Averaging Date, as applicable, shall be postponed until the next following Scheduled Redemption Valuation Date and the Reported Fund Interest Value shall be determined as of such Scheduled Redemption Valuation Date, subject to adjustment in each case if any such Valuation Date is a Fund Disrupted Day.

"**Reported Value Method**" means, in relation to any Fund Interest, a certain valuation method reflected in the operations of the Relevant Price, Final Price and other provisions herein, and which shall be applicable to such Fund Interest if so specified in the applicable Final Terms.

"**Reporting Disruption**" means, in respect of any Fund Interest, (a) occurrence of any event affecting such Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest, and such event continues for at least the time period specified in the applicable Final Terms or, if no such time period is specified, the foreseeable future; (b) any failure of the related Reference Fund to deliver, or cause to be delivered, (i) information that such Reference Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, or (ii) information that has been previously delivered to the Calculation Agent, in accordance with such Reference Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Reference Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interests.

"**Scheduled Fund Valuation Date**" means, with respect to any Fund Interest, a date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Funds Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the value of such Fund Interest or, if the related Reference Fund only reports its aggregate Net Asset Value, the date as of which such Reference Fund is scheduled to determine aggregate Net Asset Value.

"**Scheduled Redemption Payment Date**" means the date specified as such in the applicable Final Terms or if no date is so specified, with respect to any Fund Interest and any Scheduled Redemption Valuation Date, the date by which the related Reference Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to a Hypothetical Investor that has submitted a timely and valid notice requesting redemption of such Fund Interest as of such Scheduled Redemption Valuation Date.

"**Scheduled Redemption Valuation Date**" means, with respect to any Fund Interest, the date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the Net Asset Value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date. The Scheduled Redemption Valuation Date relating to any Valuation Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Final Terms, or if no such date is specified, the Scheduled Redemption Valuation Date occurring (a) if Reported Value Method is applicable, on such Valuation Date or Averaging Date, as the case may be, or if no Scheduled Redemption Valuation Date is occurring on such Valuation Date or Averaging Date, the immediately preceding

Scheduled Redemption Valuation Date, or (b) if Deemed Payout Method is applicable, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date.

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Fund Disrupted Day, would have been a Valuation Date.

"**Settlement Cycle**" means the period specified as such in the applicable Final Terms, or, if no period is so specified, (a) in respect of any Fund Interest to which Reported Value Method is applicable, the period of Currency Business Days from, and including, any Scheduled Redemption Valuation Date to, and including, the related Scheduled Redemption Payment Date, and (b) in respect of any Fund Interest to which Deemed Payout Method is applicable, two (2) Currency Business Days.

"**Strategy Breach**" means any actual or anticipated material breach or violation of any strategy or investment guidelines stated in the Fund Documents including but not limited to breach any applicable leverage restriction.

"**Subscription Notice Date**" means, with respect to any Fund Interest and any Reference Fund Subscription Date, the date specified as such in the applicable Final Terms or, if no such date is specified, the last date on which a notice to subscribe to such Fund Interest may be submitted pursuant to the Fund Documents of the related Reference Fund and be considered effective as of such Reference Fund Subscription Date. If the applicable Final Terms does not specify a Subscription Notice Date or a Reference Fund Subscription Date, the Subscription Notice Date shall be deemed to be the Trade Date.

"**Trading Agreement**" means a trading agreement entered into between the Reference Fund, the Calculation Agent and the Fund Manager and/or Fund Adviser.

"**Valid Date**" means:

(a) in respect of Fund Interests to which Reported Value Method is applicable, a Fund Business Day; and

(b) in respect of Fund Interests to which Deemed Payout Method is applicable, a Currency Business Day, in each case that is not a Fund Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

"**Valuation Date**" means:

(a) in respect of any Fund Interest to which Reported Value Method is applicable, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day); and

(b) in respect of any Fund Interest to which Deemed Payout Method is applicable, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Currency Business Day, the next following Currency Business Day).

"**Valuation Time**" means, in respect of a Fund Interest, the time specified as such in the applicable Final Terms or, if no such time is specified, (a) in respect of a Fund Interest to which Reported Value Method is applicable, the time as of which the Reported Fund Interest Value is determined, and (b) in respect of a Fund Interest to which Deemed Payout Method is applicable, the close of business in the Hypothetical Investor Jurisdiction on the relevant date.

2. Potential Adjustment Events

If Potential Adjustment Events are specified as applicable in the applicable Final Terms, then following the declaration by the Reference Fund of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest and, if so, the Issuer may:

(a) require the Calculation Agent to (i) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or the relevant number of units of the Reference Fund and/or any of the other terms of the Base Conditions, these Fund Linked Conditions and/or the 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 or liquidity relative to the relevant Fund Interest Unit or amount of Fund Interest) and (ii) determine the effective date(s) of the adjustment(s); or

(b) by giving notice to the Noteholders in accordance with Note Condition 13 and redeem all, but not some only, of the Notes at the Early Redemption Amount (for the avoidance of doubt, less Associated Costs).

Upon making such adjustment pursuant to Fund Linked Condition 2(a) above, the Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Note Condition 13 stating the adjustment to the Final Redemption Amount and/or the relevant number of units of the Reference Fund and/or any of the other terms of the Base Conditions, these Fund Linked Conditions and/or the Final Terms giving details of the Potential Adjustment Event.

3. Adjustments in relation to an Extraordinary Event

If Extraordinary Events are specified as applicable in the applicable Final Terms, then following the occurrence of such Extraordinary Event in respect of a Reference Fund (the "**Affected Reference Fund**"), the Calculation Agent shall either:

(a) declare a Reallocation Event and determine the effective date of such Reallocation Event; or

(b) declare a Removal Event and determine the effective date of such Removal Event; or

(c) by giving notice to the Noteholders in accordance with Note Condition 13 and redeem all, but not some only, of the Notes at the Early Redemption Amount (for the avoidance of doubt, less Associated Costs).

Upon making an adjustment pursuant to this Fund Linked Condition 3, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Note Condition 13 stating the adjustment and giving brief details of the Extraordinary Event.

4. Adjustments in relation to a Fund Disruption Event

As soon as reasonably practicable, following the occurrence of any Fund Disruption Event, the Calculation Agent shall, in its sole discretion, determine (as soon as practicable thereafter) the appropriate adjustment, if any, to be made to any of these Fund Linked Conditions in relation to the Notes to account for the effect of such event or otherwise necessary to preserve the economic equivalent of the rights of the Noteholders pursuant to the Notes immediately prior to such event, such adjustment to be effective as of the date determined by the Calculation Agent.

5. Correction of Fund Interest Prices

In the event that (a) any price published by or on behalf of a Reference Fund with respect to any Fund Interest to which Reported Value Method is applicable and which is utilised for any calculation or determination made under a Fund Linked Note is subsequently corrected and the correction is published by the Reference Fund within one Settlement Cycle after the original publication, or (b) a Reference Fund with respect to any Fund Interest to which Deemed Payout Method is applicable adjusts the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the number of Fund Interest Units or amount of Fund Interest that is subject to valuation, and such adjustment would be reflected in either an additional payment to such Hypothetical Investor, or a claim for repayment of excess Redemption Proceeds made against such Hypothetical Investor, in each case no later than by the last day of the Cut-off Period starting on the Final Observation Date, then either party may notify the other party of that correction and the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust the terms of such Fund Linked Note to account for such correction.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES

The Additional Terms and Conditions for Credit Linked Notes set out below reflect (to the extent relevant to the Notes) the 2009 ISDA Credit Derivatives Determination Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 12 March, 2009) and the 2009 ISDA Credit Derivatives Determination Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 14 July 2009).

The terms and conditions applicable to Credit Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**" or "**Conditions**") and the additional terms and conditions for Credit Linked Notes set out below (the "**Credit Linked Conditions**" and, together with the Note Conditions, the "**Base Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Base Conditions and the Credit Linked Conditions, the Credit Linked Conditions shall prevail. In the event of any inconsistency between (a) the Base Conditions and/or the Credit Linked Conditions and (b) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Credit Linked Conditions to "Holder" or "Holders" and "Noteholder" or "Noteholders" shall be deemed to be references to a holder or the holders, as the case may be, of relevant Notes.

Unless otherwise stated in these Credit Linked Conditions or in the applicable Final Terms, in the event that any day specified in the section "*Credit Linked Notes*" in the applicable Final Terms or the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such day or last day shall be subject to adjustment in accordance with the applicable Business Day Convention.

PART A - CREDIT EVENT SETTLEMENT PROVISIONS

1. Definitions applicable to Credit Linked Notes

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

"**5-year Limitation Date**" has the meaning given to that term in the definition of "Limitation Date".

"**20-year Limitation Date**" has the meaning given to that term in the definition of "Limitation Date".

"**2005 Matrix Supplement**" means the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions as published by ISDA on 7 March 2005.

"**Accreted Amount**" means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent in its sole and absolute discretion) only if "Include Accrued Interest" is specified as applicable in the applicable Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a)(ii) above, the Accreted Amount shall be calculated using a

rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

"**Accreting Obligation**" means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable.

"**Additional Amount Period**" means, the period from and including (x) the Scheduled Maturity Date to but excluding (y) (i) the Repudiation/Moratorium Evaluation Date (where Credit Linked Condition 6 applies), (ii) the Grace Period Extension Date (where Credit Linked Condition 7 applies) or (iii) the DC Cut-off Date (where Credit Linked Condition 8 applies) or (iv) the Postponed Maturity Date (where Credit Linked Condition 9 applies).

"**Additional Interest Amount**" means an amount in the Specified Currency equal to the product of:

(i) the Calculation Amount;

(ii) the Average Overnight Rate in respect of the Additional Amount Period; and

(iii) the number of days in the Additional Amount 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 (i) the last day of the Additional Amount Period is the 31st day of a month but the first day of the Additional Amount 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 (ii) the last day of the Additional Amount 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)).

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

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

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

"**Auction Final Price**" has the meaning set forth in the Transaction Auction Settlement Terms.

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

"**Auction Settlement Date**" means the date that is the number of Business Days specified in the Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, five Business Days) immediately following the Auction Final Price Determination Date.

"**Auction Settlement Notice**" has the meaning given to that term in Credit Linked Condition 3.

"**Average Overnight Rate**" means, in respect of the Additional Amount Period, a rate (expressed as a percentage) calculated by the Calculation Agent in its sole and absolute discretion equal to the average of the Overnight Rates for each day in the period from and including the first day of such Additional Amount Period to but excluding the second Business Day immediately preceding the day on which such Additional Amount Period ends but which is excluded from the Additional Amount Period.

"**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 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, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the Scheduled Maturity Date, whichever is earlier;

(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 before the Scheduled Maturity Date, whichever is earlier; or

(h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g) (inclusive).

"**Best Available Information**" means:

(i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated *pro forma* financial information which assumes that the relevant Succession Event has occurred 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 and, if provided subsequently to the provision of unconsolidated *pro forma* financial information but before the Calculation Agent makes its determination for the purposes of the definition of

"Successor", other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or

(ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary 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 (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of "Successor".

Information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute "Best Available Information".

"**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.

"**Calculation Agent Physical Settlement Notice**" has the meaning given to that term in the definition of Conditions to Settlement.

"**Cash Settlement Notice**" has the meaning given to that term in Credit Linked Condition 4.

"**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 of "Conditionally Transferable Obligation".

For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or the Calculation Agent.

"**Conditions to Settlement**" means the requirements set out in (a), (b) and (c) below which may be satisfied as set out herein:

(a) all of the Conditions to Settlement shall be deemed to be satisfied by the occurrence of a Credit Event Determination Date, to the extent that such Credit Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, the Credit Settlement Date, the Credit Event Redemption Date or the Maturity Date or the Exercise Date, as applicable, unless Conditions to Settlement – Physical Delivery is specified as applicable in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method) in which case all of the Conditions to Settlement shall be deemed to be satisfied by the Notice of Physical Settlement Condition to Settlement on or following the occurrence of a Credit Event Determination Date;

(b) if Notice Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information Condition to Settlement is satisfied by the delivery of a Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective during one of the periods specified in paragraph (a) of the definition of Credit Event Determination Date; provided that the Notice of Publicly Available Information Condition to Settlement shall be deemed to be satisfied in circumstances where ISDA publicly announces on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event for purposes of the relevant Notes has occurred with respect to the relevant Reference Entity or Obligation thereof;

(c) the Notice of Physical Settlement Condition to Settlement is satisfied by the delivery by the Calculation Agent to the Issuer of a notice of physical settlement (a "**Calculation Agent Physical Settlement Notice**") that is effective, subject where applicable to Credit Linked Condition 11, on or before the later of:

(i) the thirty-second calendar day (subject to adjustment in accordance with the applicable Business Day Convention) after the Credit Event Determination Date; and

(ii) the twelfth calendar day after either (I) the date of the relevant DC Credit Event Announcement, if any, or (II) 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; or

(iii) if "Physical Delivery" is applicable pursuant to the Fallback Settlement Method and:

(A) the relevant Credit Event is not a Restructuring (or, if such Credit Event is a Restructuring, such Restructuring has occurred where neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms), the thirtieth calendar day after the Auction Cancellation Date or the No Auction Announcement Date, as applicable; or

(B) the relevant Credit Event is a Restructuring and 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, either:

I. the thirty-second calendar day after:

(1) a No Auction Announcement Date occurring pursuant to paragraph (a) of the definition of No Auction Announcement Date, if any; or

(2) a No Auction Announcement Date occurring pursuant to paragraph (c) of the definition of No Auction Announcement Date, if any, in circumstances where no Parallel Auction will be held; or

(3) the Auction Cancellation Date, if any,

as applicable; or

II. the second Relevant City Business Day immediately following the later of the Parallel Auction Final Price Determination Date, if any (or, if more than one should occur, the last Parallel Auction Final Price Determination Date), and the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:

(1) a No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of No Auction Announcement Date and the Issuer has not exercised the Movement Option; or

(2) a No Auction Announcement Date occurs pursuant to paragraph (c) of the definition of No Auction Announcement Date in circumstances where one or more Parallel Auctions will be held,

provided that in the case of paragraphs (c)(i) and (c)(iii), the relevant Credit Event Resolution Request Date occurred on or prior to the date described in paragraph (c)(i).

For purposes of determining whether the conditions of this paragraph (c) have been satisfied, the effective date of delivery of the Calculation Agent Physical Settlement Notice (whether or not subsequently changed) shall be used.

"**Convertible Obligation**" means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"**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 (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 (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 the occurrence of any one or more of the Credit Events specified in the applicable Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or any additional Credit Event specified in the applicable Final Terms, as determined by the Calculation Agent.

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

(a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"**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:

(A) either:

I. "Auction Settlement" is specified as the applicable Settlement Method in the applicable Final Terms; or

II. the relevant Credit Event is a Restructuring; and

(B) the Credit Event Notice is delivered by the Calculation Agent to the Issuer 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 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) Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms; or

(B) 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 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, (1) this shall be subject to any adjustment in accordance with Credit Linked Condition 13 and (2) 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; and

provided further that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the Credit Settlement Date, the Credit Event Redemption Date, the Maturity Date, or the Exercise 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 Credit Linked Conditions (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Holders 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 (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 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 Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"**Credit Event Redemption Amount**" means the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

A is the Calculation Amount;

B is the Final Price or the Auction Final Price, if applicable; and

C is Unwind Costs,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

"**Credit Event Redemption Date**" means, subject to Credit Linked Condition 11, the day falling the number of Business Days specified in the applicable Final Terms after (i) the calculation of the Final Price or (ii) the Auction Final Price Determination Date, if applicable, provided, in the case of (ii), that the Credit Event Redemption Date shall not fall earlier than the Auction Settlement Date.

"**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 for purposes of the Notes 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.

"**Credit Settlement Date**" means the last day of the longest Physical Settlement Period following the satisfaction of Conditions to Settlement (the "**Scheduled Credit Settlement Date**") Provided That if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Credit Settlement Date, the Credit Settlement Date shall be the earlier of (i) the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling 60 Business Days following the Scheduled Credit Settlement Date.

"**Currency Amount**" means, with respect to (a) a Deliverable Obligation specified in a Physical Settlement Notice that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each Physical Settlement Amendment Notice with respect to that portion of the relevant Notes into the currency of denomination of the relevant Replacement Deliverable Obligation.

"**Currency Rate**" means, with respect to (a) a Deliverable Obligation specified in the Physical Settlement Notice, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Principal Balance or Due and Payable Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

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

"**DC 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 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 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 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 the 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 Party**" has the meaning set out in the Rules.

"**DC Question**" has the meaning set out in the Rules.

"**DC Resolution**" has the meaning set out in the Rules.

"**Default Requirement**" means the amount specified as such in the applicable Final Terms or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency or, if a Default Requirement is not specified in the applicable Final Terms, US$10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

"**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 Entitlement to the relevant Holder 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 all or a portion of the Entitlement consists of Direct Loan Participations, "Deliver" means to create (or procure the creation) of a participation in favour of the relevant Holder and to the extent that 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.

"**Deliverable Obligation**" means, subject as provided in Credit Linked Condition 5:

(a) any obligation of a Reference Entity (either directly, 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) determined pursuant to the method described in "(A) Method for Determining Deliverable Obligations" below (but excluding any Excluded Deliverable Obligation specified in the applicable Final Terms) 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 a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of "Credit Event" above)) 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 date on which the Physical Settlement Notice is deemed given, 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 paragraph of the definition of "Not Contingent" in "(A) Method for Determining Deliverable Obligations" below, 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 a counterclaim or defence based on the factors set forth in paragraphs (a)-(d) of the definition of "Credit Event" above) 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 date on which the Physical Settlement Notice is deemed given, 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 Additional Deliverable Obligation of a Reference Entity specified as such in the applicable Final Terms.

(i) **Method for Determining Deliverable Obligations**. For the purposes of this definition of "Deliverable Obligation", the term "Deliverable Obligation" may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to (B)(3) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

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

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

(i) "**Not Contingent**" means any obligation having as of the Delivery 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). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Deliverable 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 (x) to convert or exchange such obligation or (y) 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 Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in paragraphs (x) and (y) of the preceding paragraph have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

(ii) "**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 a Reference Entity is guaranteeing such Loan) or any agent;

(iii) "**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 a Reference Entity is guaranteeing such loan) or any agent;

(iv) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Holder that provides each Holder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Holder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

(v) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

(a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the

laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or

(b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;

(vi) "**Maximum Maturity**" means an obligation that has a remaining maturity from the Credit Settlement Date of not greater than the period specified in the applicable Final Terms;

(vii) "**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; and

(viii) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(ii) Interpretation of Provisions

I. If the Obligation Characteristic "Listed" is specified in the applicable Final Terms, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;

II. if (i) either of the Deliverable Obligation Characteristics "Listed" or "Not Bearer" is specified in the applicable Final Terms, the 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 selected Deliverable Obligation Category; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms, the 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 selected Deliverable Obligation Category); or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms, the 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 selected Deliverable Obligation Category;

III. if any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as

Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics; and

IV. in the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

(a) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.

(b) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (x) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (y) the laws of England and the laws of the State of New York shall not be a Domestic Law.

(c) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the applicable Final Terms.

(d) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

(e) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(f) The terms "Outstanding Principal Balance" and "Due and Payable Amount" (as they are used in the Terms and Conditions, including without limitation, the definitions of "Partial Cash Settlement Amount" and "Quotation Amount" in Credit Linked Condition 10), when used in connection with Qualifying Guarantees are to be interpreted to be the then "Outstanding Principal Balance" or "Due

and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

For the avoidance of doubt the provisions of this paragraph (ii) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

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

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

"**Delivery Date**" means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

"**Domestic Currency**" means the currency specified as such in the applicable Final Terms and any successor currency. If no currency is specified in the applicable Final Terms, 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 or the United States of America or the euro (or any successor currency to any such currency).

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

"**Due and Payable Amount**" means, subject as provided in sub-paragraph (d) of paragraph (ii) (Interpretation of Provisions) in the definition of "Deliverable Obligation", 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).

"**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, that in each case such entity has total assets of at least US$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 US$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 US$100 million; or

(ii) that has total assets of at least US$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 keep well, 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 US$ include equivalent amounts in other currencies.

"**Enabling Obligation**" means an outstanding Deliverable Obligation that (i) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (ii) has a final maturity date occurring on or prior to the Scheduled Termination Notice Date and following the Limitation Date immediately preceding the Scheduled Termination Notice Date (or, in circumstances where the Scheduled Termination Notice Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

"**Entitlement**" means, in respect of each unit or nominal amount of Credit Linked Notes equal to the Calculation Amount Deliverable Obligations, as selected by the Calculation Agent in its sole and absolute discretion, with:

(a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified as applying in the applicable Final Terms, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, excluding accrued but unpaid interest); or

(b) in the case of Deliverable Obligations that are not Borrowed Money, 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 of the relevant Delivery Date at least equal to the Calculation Amount less, if Unwind Costs are specified as applicable in the applicable Final Terms, Deliverable Obligations with a market value determined by the Calculation Agent in its sole and absolute discretion on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to Unwind Costs.

If an 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.

"**Equity Securities**" means:

(a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer

of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and

(b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

"**Exchangeable Obligation**" means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"**Excluded Deliverable Obligation**" means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

"**Excluded Obligation**" means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

"**Exercise Cut-off Date**" means, with respect to a Credit Event:

(a) if such Credit Event is not a Restructuring (or if such Credit Event is a Restructuring, such Restructuring has occurred with respect to the relevant Notes for which neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms), either:

(i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;

(ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or

(iii) the date that is 21 calendar days following the No Auction Announcement Date, if any,

as applicable; or

(b) if such Credit Event is a Restructuring for purposes of the relevant Notes for which 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:

(i) the relevant Credit Derivatives Determinations Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five Relevant City Business Days following the date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules; or

(ii) a No Auction Announcement Date occurs pursuant to paragraph (a) of the definition of No Auction Announcement Date, the date that is 21 calendar days following such No Auction Announcement Date.

"**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 any 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 of the Reference Obligation, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms. The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Holder at the specified office of the Principal Paying Agent (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

"**Full Quotation**" means, in accordance with the Quotation Method each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance 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 of "Fully Transferable Obligation". 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 for the relevant Deliverable Obligation, taking

into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or the Calculation Agent.

"**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**" means:

(a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under 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 applying in the applicable Final Terms, a Potential Failure to Pay has 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)) and the applicable grace period cannot, by its terms, expire 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)), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, 30 calendar days; and

(c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applying in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Termination Notice 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, in the jurisdiction of the Obligation Currency.

"**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 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)),

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

"**Hedge Disruption Event**" means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates and/or its agents has not received the relevant Deliverable Obligations under the terms of any transaction and/or trading position entered into by the Issuer and/or such Affiliate and/or its agents to hedge directly or indirectly and whether in whole or in part the Issuer's obligations or position in respect of the Notes.

"**Hedge Disruption Obligation**" means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

"**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.

"**Market Value**" means, with respect to a Reference Obligation on a Valuation Date:

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

(b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

(c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;

(d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;

(e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and

(f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

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

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

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

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

"**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 paragraph (b) 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 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 effective 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 an effective 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 Holders in accordance with Note Condition 13.

"**Movement Option Cut-off Date**" means the date that is six Relevant City Business Days following the Exercise Cut-off Date.

"**Next Currency Fixing Time**" means 4:00 p.m. (London time) on such London Business Day as the Calculation Agent shall select falling no more than five London Business Days immediately preceding the date on which the Physical Settlement Notice or relevant Physical Settlement Amendment Notice or relevant Partial Cash Settlement Notice, as applicable, is effective.

"**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 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.

"**Notice Delivery Period**" means the period from and including the Trade Date to and including the date that is fourteen calendar days after the Extension Date.

"**Notice of Publicly Available Information**" means an irrevocable notice from the Calculation Agent (which may be by telephone) 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. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (a) and (b) of the definition of Repudiation/Moratorium. 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.

"**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, an irrevocable notice from the Issuer to the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) 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 a Reference Entity (either directly, as a 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) determined pursuant to the method described in "Method for Determining Obligations" below (but excluding any Excluded Obligation);

(b) each Reference Obligation specified in the applicable Final Terms, unless specified as an Excluded Obligation; and

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

Method for Determining Obligations. For the purposes of paragraph (a) of this definition of "Obligation", the term "Obligation" may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the applicable Final Terms, and having each of the Obligation Characteristics (if any) specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

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

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

II. "**Borrowed Money**" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

III. "**Reference Obligations Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;

IV. "**Bond**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;

V. "**Loan**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and

VI. "**Bond or Loan**" means any obligation that is either a Bond or a Loan;

(ii) "**Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:

I. (a) "**Not Subordinated**" means an obligation that is not Subordinated to (1) the most senior Reference Obligation in priority of payment or, (2) 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 (a) 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 each 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;

(b) "**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;

(c) "**Credit Linked Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if Credit Linked Specified Currency is specified in the applicable Final Terms and no currency is so specified, any of the lawful currencies 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 currencies shall be referred to collectively in the applicable Final Terms as the "Standard Specified Currencies").

II. "**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".

III. "**Not Domestic Currency**" means any obligation that is payable in any currency other than the Domestic Currency.

IV. "**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.

V. "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.

"**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 sale primarily in the domestic market of the Reference Entity.

"**Obligation Acceleration**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other

similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"**Obligation 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 have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"**Outstanding Principal Balance**" means, subject as provided in sub-paragraph (3)(c) of paragraph (ii) (Interpretation of Provisions) in the definition of Deliverable Obligation:

(a) with respect to any Accreting Obligation, the Accreted Amount thereof; and

(b) with respect to any other obligation, the outstanding principal balance of such obligation,

Provided That with respect to any Exchangeable Obligation that is not an Accreting Obligation, "**Outstanding Principal Balance**" shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

"**Overnight Rate**" means, in respect of any day in an Additional Amount Period:

(i) where the Specified Currency is euro, a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on Reuters Page EONIA (or such other source, including any successor to such page or service, as the Calculation Agent shall determine to be appropriate) in respect of that day, if that day is a day on which the TARGET 2 System is open, or otherwise in respect of the day on which the TARGET 2 System is open immediately preceding a day on which the TARGET 2 System is open;

(ii) where the Specified Currency is USD, a reference rate equal to the rate set forth in H.15 (519) for that day opposite the caption "Federal Funds (effective)", as such rate is displayed on Reuters Screen FEDFUNDS1 (or such other source, including any successor to such page or service, as the Calculation Agent shall determine to be appropriate) in respect of that day if that day is a Business Day or in respect of the Business Day immediately preceding that day if that day is not a Business Day;

(iii) where the Specified Currency is Russian roubles, a reference rate equal to overnight MOSPRIME and appearing on Reuters Page MOSPRIME= (or such other source, including any successor to such page or service, as the Calculation Agent shall determine appropriate) in respect of that day if that day is a Business Day or in respect of the Business Day immediately preceding that day if that day is not a Business Day; or

(iv) where the Specified Currency is a currency other than USD or EUR, the Overnight Rate specified in the applicable Final Terms.

As used herein, "**H.15 (519)**" means the weekly statistical release designated as such, or any successor publication published by the Federal Reserve System Board of Governors, available through the worldwide website of the Board of Governors of the Federal Reserve System at http://www.bog.frb.fed.us/releases/h15, or any successor site or publication.

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

"**Parallel Auction Cancellation Date**" means "Auction Cancellation Date" as defined in the relevant Parallel Auction Settlement Terms.

"**Parallel Auction Final Price Determination Date**" means "Auction Final Price Determination Date" as defined in the relevant Parallel Auction Settlement Terms.

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

"**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.

"**Payment Requirement**" means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the applicable Final Terms, US$1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

"**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 (i) 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 (ii) 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 & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service's Limited, or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings Ltd or any successor to the rating business thereof.

"**Physical Settlement Amendment Notice**" has the meaning given to that term in Credit Linked Condition 5.

"**Physical Settlement Notice**" has the meaning given to that term in Credit Linked Condition 5.

"**Physical Settlement Period**" means, subject to Credit Linked Condition 11, the number of Business Days specified as such in the applicable Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Entitlement, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

"**Potential Credit Event**" means a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity), a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity) or if a Credit Event Resolution Request Date has occurred and the Credit Derivatives Determinations Committee has not made its determination, such event will be deemed to be a Potential Credit Event. A Credit Derivatives Determinations Committee and the Calculation Agent may each determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred provided that

any such determination made by a Credit Derivatives Determinations Committee will be binding on the Calculation Agent.

"**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 Obligations, 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 paragraph (a) of the definition of Repudiation/Moratorium.

"**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, the Issuer or any of their respective Affiliates and/or agents 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, the Issuer, or any of their Affiliates and/or agents 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 Affiliate Guarantee**" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

"**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 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 discharged, reduced, assigned or otherwise altered 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 Participation Seller**" means any participation seller that meets the requirements specified in the applicable Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

"**Quotation**" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business

Day. If no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

(b) (i) If "Include Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest.

(ii) If "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest.

(iii) If neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, the Calculation Agent shall determine, based on the then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

(c) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

"**Quotation Amount**" means the amount specified as such in the applicable Final Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is specified in the applicable Final Terms, the Aggregate Nominal Amount (or its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

"**Quotation Dealer**" means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained including each Quotation Dealer specified in the applicable Final Terms. If no Quotation Dealers are specified in the applicable Final Terms, the Calculation Agent shall select the Quotation Dealers in its sole and absolute discretion. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

"**Quotation Method**" means the applicable Quotation Method specified in the applicable Final Terms by reference to one of the following terms:

"**Bid**" means that only bid quotations shall be requested from Quotation Dealers;

"**Offer**" means that only offer quotations shall be requested from Quotation Dealers; or

"**Mid-market**" means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for the purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply.

"**Reference Entity**" means the entity or entities specified as such in the applicable Final Terms. Any Successor to a Reference Entity either (a) identified pursuant to the definition of "Successor" in Credit Linked Condition 1 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.

"**Reference Obligation**" means each obligation specified or of a type described as such in the applicable Final Terms (if any are so specified or described) and any Substitute Reference Obligation.

"**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 Deliverable Obligation Terms and/or the Reference Obligation are not specified, the Deliverable Obligation Terms and Reference Obligation determined by the Calculation Agent in a commercially reasonable manner 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 Termination Notice Date of the Notes and (c) otherwise having such other characteristics as the Calculation Agent may in its sole discretion 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 City Business Day**" has the meaning set out in the Rules.

"**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 and/or its agents, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes 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.

"**Replaced Deliverable Obligation Outstanding Amount**" has the meaning given to that term in Credit Linked Condition 5.

"**Replacement Deliverable Obligation**" has the meaning given to that term in Credit Linked Condition 5.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

"**Repudiation/Moratorium**" means the occurrence of both of the following events:

(a) an authorised officer of a Reference Entity or a Governmental Authority:

(x) 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

(y) 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

(b) 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 Notice Date.

"**Repudiation/Moratorium Evaluation Date**" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Notice Maturity 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)), (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 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, if Credit Linked Condition 9(y) applies, the Postponed Maturity 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 constitutes 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 the relevant Restructuring has occurred.

"**Restructuring**" means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a 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 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 (i) the Credit Event Backstop Date applicable to a Series and (ii) the date as of which such Obligation is issued or incurred:

(a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

(b) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;

(c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;

(d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(e) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency;

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

(i) the payment in euro of interest or principal 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 occurrence of, agreement to or announcement of any of the events described in (a) to (e) above due to an 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 (a) to (e) 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.

For the purposes of the definition of Restructuring and Credit Linked Condition 1412, 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 the initial paragraph

and sub-paragraphs (a) to (e) above of the definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.

"**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.

"**Revised Currency Rate**" means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Principal Balance or Due and Payable Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent in a commercially reasonable manner.

"**Rules**" has the meaning given to that term in the definition of "Credit Derivatives Determinations Committee" above.

"**Scheduled Termination Notice Date**" means the day falling two Business Days immediately preceding the Scheduled Maturity Date or Scheduled Exercise Date as applicable.

"**Settlement Currency**" means the currency specified as such in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the Notes.

"**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.

"**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 Agency**" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

"**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 to sub-paragraph (d)(ii)III of paragraph "(ii) Interpretation of Provisions" in the definition of "Deliverable Obligation", 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.

"**Specified Number**" means the number of Public Source(s) specified in the applicable Final Terms, or if no number is specified in the applicable Final Terms, two.

"**Substitute Reference Obligation**" means one or more obligations of the Reference Entity (either directly or 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) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

(a) In the event that:

(i) a Reference Obligation is redeemed in whole; or

(ii) 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.

(b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent of the delivery and payment obligations of the Issuer and (3) is an obligation of the relevant Reference Entity (either directly or 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). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

(c) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines 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.

(d) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines 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.

(e) If:

(i) more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all of the Reference Obligations and the Calculation Agent determines 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 paragraph (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines 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 Delivery is specified as the Settlement Method in the applicable Final Terms (or, in the case of Physical Delivery, 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 Notes at the Early Redemption Amount by notice to Noteholders in accordance with Note Condition 13 (for the avoidance of doubt less Associated Costs).

(f) For the 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.

"**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, de-merger, 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, de-merger, 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 Issuer 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 (which may be in writing (including by facsimile and/or email) and/or by telephone) 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.

"**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 one entity directly or indirectly succeeds to seventy-five 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 twenty-five per cent. (but less than seventy-five per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor;

(iii) if more than one entity each directly or indirectly succeed to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;

(iv) if one or more entity each directly or indirectly succeed to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided 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 twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity 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 twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of 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; and

(b) in relation to a Sovereign Reference Entity, each entity which becomes a direct or indirect successor to such Reference Entity by way of Succession Event, irrespective of whether any such successor assume(s) any of the obligations of such Reference Entity.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen 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 (a)(vi) 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 the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) 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 and shall, as soon as practicable after such calculation, make such calculation available for inspection by Holders at the specified office of the Principal Paying Agent.

Where pursuant to paragraph (a)(iii) or (a)(iv) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Terms and 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 such of the 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 Credit Linked Notes under the provisions of the 2003 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 the Noteholders in accordance with Note Condition 13 stating the adjustment to the Terms and Conditions and/or the applicable Final Terms and giving brief details of the relevant Succession Event.

For the purposes of this definition of "Successor", "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 paragraph (a) of this definition of "Successor" 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.

Where:

(i) a Reference Obligation is specified in the applicable Final Terms; and

(ii) one or more Successors to the Reference Entity have been identified; and

(iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of "Substitute Reference Obligation" above.

"**Supranational Organisation**" means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns, and includes, without limiting the foregoing, the International Monetary Fund, European Central

Bank, International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

"**Trade Date**" means the date specified as such in the applicable Final Terms.

"**Transaction Auction Settlement Terms**" means, with respect to a Credit Event, the Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction.

"**Undeliverable Obligation**" means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order, contractual restrictions, statutory restrictions or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Credit Settlement Date.

"**Unwind Costs**" means 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, without limitation, loss of funding and break funding charges and fees), tax and duties incurred by the Issuer and/or any of its Affiliates and/or agents in connection with the redemption or cancellation 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 equal to the Calculation Amount set out in the applicable Final Terms.

"**Valuation Date**" means (a) where Physical Delivery is specified as applying in the applicable Final Terms, the day falling three Business Days after the Final Delivery Date (being the 30th Business Day following the Credit Settlement Date), or (b) where Cash Settlement is specified as applying in the applicable Final Terms, if "Single Valuation Date" is specified in the applicable Final Terms, the date that is the number of Business Days specified in the Final Terms after the satisfaction of all Conditions to Settlement or, if the number of Business Days is not so specified, five Business Days after the satisfaction of all Conditions to Settlement (or, if "Cash Settlement" is applicable pursuant to the Fallback Settlement Method, the date that is the number of Business Days specified in the applicable Final Terms or, if the number of Business Days is not so specified, five Business Days after the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable), and if "Multiple Valuation Dates" is specified in the applicable Final Terms, each of the following dates:

(a) subject to Credit Linked Condition 11, the date that is the number of Business Days specified in the applicable Final Terms (or, if the number of Business Days is not specified, five Business Days) following the satisfaction of all Conditions to Settlement (or if Cash Settlement is the applicable Fallback Settlement Method, the date that is the number of Business Days specified in the applicable Final Terms (or, if the number of Business Days is not specified, five Business Days) following the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable); and

(b) each successive date that is the number of Business Days specified in the applicable Final Terms or, if the number of Business Days is not so specified, five Business Days after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "Multiple Valuation Dates" is specified in the applicable Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable Final Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the applicable Final Terms, Single Valuation Date shall apply.

"**Valuation Method**":

(a) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Reference Obligation and only one Valuation Date:

"**Market**" means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or

"**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

(b) If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Highest.

(c) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Reference Obligation and more than one Valuation Date:

"**Average Market**" means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or

"**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or

"**Average Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

(d) If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Highest.

(e) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Reference Obligation and only one Valuation Date:

"**Blended Market**" means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or

"**Blended Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date.

(f) If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Blended Highest.

(g) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Reference Obligation and more than one Valuation Date:

"**Average Blended Market**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or

"**Average Blended Highest**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

(h) If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Blended Highest.

(i) Notwithstanding paragraphs (a) to (h) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be.

"**Valuation Time**" means the time specified as such in the applicable Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

"**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.

"**Weighted Average Quotation**" means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but, if a Minimum Quotation Amount is specified in the applicable Final Terms, of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

2. Redemption or Exercise of Credit Linked Notes

Unless previously redeemed or purchased and cancelled and subject as provided in Credit Linked Condition 3, Credit Linked Condition 4 and Credit Linked Condition 5, as applicable, each nominal amount or unit of Credit Linked Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer at its relevant Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the Specified Currency on the Maturity Date.

3. Auction Settlement

If Conditions to Settlement are satisfied then, where Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice an "**Auction Settlement Notice**") to the Holders in accordance with Note Condition 13 and, subject to any adjustment in accordance with Credit Linked Condition 13, redeem or cancel, as applicable, all but not some only of the Notes and pay in respect of each nominal amount or unit of Credit Linked Notes equal to the Calculation Amount set out in the applicable Final Terms the Credit Event Redemption Amount in the relevant Specified Currency on the Credit Event Redemption Date.

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)(A) or (b)(ii)(B) of the definition of Credit Event Determination Date, then:

(i) if Fallback Settlement Method – Cash Settlement is specified as applicable in the applicable Final Terms, the Issuer shall redeem or cancel, as applicable, the Notes in accordance with Credit Linked Condition 4 below; or

(ii) if Fallback Settlement Method – Physical Delivery is specified as applicable in the applicable Final Terms, the Issuer shall redeem or cancel, as applicable, the Notes in accordance with Credit Linked Condition 5 below.

If Conditions to Settlement are satisfied and the Notes become redeemable or are cancelled in accordance with this Credit Linked Condition 3, upon payment of the Credit Event Redemption Amounts in respect of the Notes, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a Credit Linked Note. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer.

4. Cash Settlement

If a Credit Event occurs and Conditions to Settlement are satisfied then where Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms or if Credit Linked Condition 3 above applies, the Issuer shall give notice (such notice a "**Cash Settlement Notice**") to the Holders in accordance with Note Condition 13 and redeem or cancel, as applicable, all but not some only of the Notes, and pay in respect of each nominal amount of Credit Linked Notes equal to the Calculation Amount set out in the applicable Final Terms the Credit Event Redemption Amount in the relevant Specified Currency on the Credit Event Redemption Date.

If Conditions to Settlement are satisfied and the Notes become redeemable or are cancelled in accordance with this Credit Linked Condition 4, upon payment of the Credit Event Redemption Amount in respect of the Notes, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a Credit Linked Note. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer.

5. Physical Delivery

If a Credit Event occurs and Conditions to Settlement are satisfied then where Physical Delivery is specified as applicable in the applicable Final Terms or if Credit Linked Condition 3(ii) above applies, the Issuer shall, following the receipt of a Calculation Agent Physical Settlement Notice, give notice (such notice a "**Physical Settlement Notice**") to the Holders in accordance with Note Condition 13 and redeem or cancel, as applicable, all but not some only of the Notes and deliver in respect of each nominal amount or unit of Credit Linked Notes equal to the Calculation Amount the Deliverable Obligations comprising the Entitlement on the Credit Settlement Date, subject to and in accordance with the Note Conditions and these Credit Linked Conditions.

In the Physical Settlement Notice, the Issuer shall specify the Deliverable Obligations comprising the Entitlement that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Entitlement, irrespective of their market value.

The Issuer may, from time to time, amend a Physical Settlement Notice by delivering a notice to Holders in accordance with Note Condition 13 (each such notification, a "**Physical Settlement Amendment Notice**") that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Physical Settlement Notice or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective). A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer will Deliver (each, a "**Replacement Deliverable Obligation**") and shall also specify the Outstanding Principal Balance or Due and Payable Amount (determined on the same basis as in the definition of Entitlement) of each Deliverable Obligation identified in the Physical Settlement Notice or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced or the equivalent Currency Amount of any such amount (with respect to each such Deliverable Obligation, the "**Replaced Deliverable Obligation Outstanding Amount**"). The Replacement Deliverable Obligation(s), taken together, shall have an aggregate Replaced Deliverable Obligation Outstanding Amount at least equal to the Outstanding Principal Balance(s) and/or Due and Payable Amount(s) (or the equivalent Currency Amount(s) of any such amount(s)) of the Deliverable Obligations being replaced. Each such Physical Settlement Amendment Notice must be effective on or prior to the Credit Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies contained in the Physical Settlement Notice or any Physical Settlement Amendment Notice, as applicable, by notice to Holders (in accordance with Note Condition 13 prior to the relevant Delivery Date; it being understood that such notice of correction shall not constitute Physical Settlement Amendment Notice.

If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms (or if Physical Delivery is applicable as the Fallback Settlement Method and "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is 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 included in the Entitlement only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms (or if Physical Delivery is applicable as the Fallback Settlement Method and "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is 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 included in the Entitlement only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

If Conditions to Settlement are satisfied and the Notes become redeemable or are cancelled in accordance with this Credit Linked Condition 5, upon Delivery of the Deliverable Obligations Deliverable and/or payment of the Partial Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Partial Cash Settlement Amount, as the case may be, may be less than the Calculation Amount of a Credit Linked Note. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer.

6. Repudiation/Moratorium Extension

Where Repudiation/Moratorium is specified as a Credit Event in the applicable Final Terms, the provisions of this Credit Linked Condition 6 shall apply.

Where Conditions to Settlement have not been satisfied 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)) but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Termination Notice Date or, if Credit Linked Condition 9(y) applies, the Postponed Maturity Date (as defined in Credit Linked Condition 7 below) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Termination Notice Date, then the Calculation Agent shall notify the Holders in accordance with Note Condition 13 that a Potential Repudiation/Moratorium has occurred and:

(i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:

I. each nominal amount or unit of Notes equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the second Business Day following the Repudiation/Moratorium Evaluation Date; and

II. in the case of interest bearing Notes, the Issuer shall be obliged (x) to pay interest calculated as provided in Note Condition 4, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date and (y) to pay an Additional Interest Amount in respect of each Note and the Additional Amount Period ending on (but excluding) the Repudiation/Moratorium Evaluation Date, but, in each case, shall only be obliged to make such payments of interest on the second Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amounts in respect of interest shall be payable; or

(ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 3, Credit Linked Condition 4 or Credit Linked Condition 5, as applicable, shall apply.

7. Grace Period Extension

If "Grace Period Extension" is specified as applicable in the applicable Final Terms, the provisions of this Credit Linked Condition 7 shall apply.

Where Conditions to Settlement have not been satisfied 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)) but a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the 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 such Grace Period(s) is/are continuing as at the Scheduled Termination Notice Date), then the Calculation Agent shall notify the Holders in accordance with Note Condition 13 that a Potential Failure to Pay has occurred and:

(i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:

I. each nominal amount or unit of Credit Linked Note equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the second Business Day following the Grace Period Extension Date; and

II. in the case of interest bearing Notes, the Issuer shall be obliged (x) to pay interest calculated as provided in Note Condition 4, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or if none the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date and (y) to pay an Additional Interest Amount in respect of each Note and the Additional Amount Period ending on (but excluding) the Grace Period Extension Date, but, in each case, shall only be obliged to make such payments of interest on the second Business Day following the Grace Period Extension Date and no further or other amounts in respect of interest shall be payable; or

(ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 3, Credit Linked Condition 4 or Credit Linked Condition 5, as applicable, shall apply to the Notes.

8. Credit Derivatives Determinations Committee Extension

If, in the determination of the Calculation Agent, a Credit Event Resolution Request Date or a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its determination 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)) then the Calculation Agent shall notify Holders in accordance with Note Condition 13 that the Maturity Date has been postponed to a date (the "**DC Cut-off Date**") being the earliest of: (i) 15 Business Days following the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred; (ii) the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, (iii) 15 Business Days following the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred and:

(i) where a Credit Event has not occurred on or prior to the DC Cut-off Date:

I. each nominal amount of Credit Linked Note equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the second Business Day following the DC Cut-off Date; and

II. in the case of interest bearing Notes, the Issuer shall be obliged (x) to pay interest calculated as provided in Note Condition 4, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or if none the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date and (y) to pay an Additional Interest Amount in respect of each Note and the Additional Amount Period ending on (but excluding) the DC Cut-off Date, but, in each case, shall only be obliged to make such payments of interest on the second Business Day following the DC Cut-off Date and no further or other amounts in respect of interest shall be payable; or

(ii) where a Credit Event has occurred on or prior to the DC Cut-off Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 3, Credit Linked Condition 4 or Credit Linked Condition 5, as applicable, shall apply to the Notes.

9. Maturity Date Extension

Without prejudice to Credit Linked Condition 11, if:

(x) on (A) the Scheduled Termination Notice Date, (B) if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date, (D) if applicable,

the DC Cut-off Date or (E) the last day of the Notice Delivery Period, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or

(y) on the Scheduled Termination Notice Date, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may at its option notify the Holders in accordance with Note Condition 13 that the Maturity Date, the Scheduled Termination Notice Date, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date and/or the DC Cut-off Date, as the case may be, has been postponed to a date (such date the "**Postponed Maturity Date**") specified in such notice falling 15 Business Days after the previous Scheduled Maturity Date, Repudiation/Moratorium Evaluation Date or Grace Period Extension Date or DC Cut-off Date, as the case may be, or if such day is not a Business Day the immediately succeeding Business Day and

where:

(i) in the case of Credit Linked Condition 9(x), Conditions to Settlement are not satisfied on or prior to the Postponed Maturity Date, or, in the case of Credit Linked Condition 9(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date:

(A) subject as provided below each nominal amount of Credit Linked Note equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the second Business Day following the Postponed Maturity Date; and

(B) in the case of interest bearing Notes, the Issuer shall be obliged (x) to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or, if none the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date and (y) to pay an Additional Interest Amount in respect of each Note and the Additional Amount Period ending on (but excluding) the Postponed Maturity Date, but, in each case, shall only be obliged to make such payments of interest on the second Business Day following the Postponed Maturity Date and no further or other amounts in respect of interest shall be payable; or

(ii) where:

(A) in the case of Credit Linked Condition 9(x), Conditions to Settlement are satisfied on or prior to the Postponed Maturity Date, the provisions of Credit Linked Condition 3, Credit Linked Condition 4 or Credit Linked Condition 5, as applicable, shall apply to the Notes; or

(B) in the case of Credit Linked Condition 9(y) the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date, the provisions of Credit Linked Condition 4 shall apply to the Credit Linked Notes.

10. Partial Cash Settlement

If all or a portion of the Undeliverable Obligations or Hedge Disruption Obligations comprising the Entitlement are not Delivered by the Final Delivery Date, the Issuer shall give notice (a "**Partial Cash Settlement Notice**") to the Holders in accordance with Note Condition 13 and the Issuer shall pay in respect of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

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

Unless otherwise specified in the applicable Final Terms, for the purposes of this Credit Linked Condition 10 the following terms are deemed to have the following meanings:

"**Indicative Quotation**" means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

"**Market Value**" means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, 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 same highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotations remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the applicable Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (b) of the definition of "Quotation" below, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

"**Partial Cash Settlement Amount**" is deemed to be, for each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price or Auction Final Price, if applicable, with respect to such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, less (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Entitlement), and (ii) zero.

"**Partial Cash Settlement Date**" is deemed to be the date falling three Business Days after (i) the calculation of the Final Price or (ii) the Auction Final Price Determination Date, if applicable.

"**Quotation**" means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the applicable Final Terms, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.

(b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

(c) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

(d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

"**Quotation Amount**" is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, 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 or Hedge Disruption Obligations, as the case may be.

"**Quotation Method**" is deemed to be Bid.

"**Reference Obligation**" is deemed to be each Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

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

"**Valuation Time**" is the time specified as such in the applicable Final Terms, or, if no time is so specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

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

11. Settlement Suspension

(a) Suspension

Without prejudice to Credit Linked Condition 9, if, following the determination of a Credit Event Determination Date in accordance with sub-paragraph (a) of the definition of Credit Event Determination Date but prior to the Credit Settlement Date or, to the extent applicable, a Valuation Date, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, the Calculation Agent may at its option determine that the applicable timing requirements of these Credit Linked Conditions and the definitions of Credit Event Redemption Date, Valuation Date, Physical Settlement Period, and any other Credit Linked Condition as determined by the Calculation Agent in its sole discretion, shall toll and be suspended and remain suspended (such period of suspension, a "**Suspension Period**") until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (b) not to determine such matters. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (i) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (ii) not to determine such matters, the relevant timing requirements of the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by ISDA.

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

(b) Interest

In the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated in accordance with Note Condition 4 provided that:

(i) if a Suspension Period pursuant to Credit Linked Condition 11(a) above falls in any one or more Interest Period(s), then no interest shall accrue during each portion of an Interest Period during which a Suspension Period exists; and

(ii) if an Interest Payment Date falls in a Suspension Period pursuant to Credit Linked Condition 11(a) above, such Interest Payment Date will be deferred until such date as determined by the Calculation Agent falling no earlier than the first Interest Payment Date and no later than the fifth Interest Payment Date following the end of the Suspension Period, all subject to the provisions of Note Condition 4 and Credit Linked Conditions 6, 7 and 8.

12. Redemption following a Merger Event

If this Credit Linked Condition 12 is specified as applicable in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Holders in accordance with Note Condition 13 and redeem or cancel, as applicable, all but not some only of the Notes and pay in respect of each nominal amount of the Notes equal to the Calculation Amount the Merger Event Redemption Amount on the Merger Event Redemption Date.

13. Credit Event Notice after Restructuring Credit Event

If this Credit Linked Condition 13 is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in the Terms and Conditions, upon the occurrence of a Restructuring with respect to a Series for which 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:

(i) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the "**Partial Redemption Amount**") that may be less than the principal amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Redemption Amount only and each such Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).

(ii) For the avoidance of doubt (A) the principal amount of each such Note not so redeemed in part shall remain outstanding and interest shall accrue on the principal amount outstanding of such Note as provided in Note Condition 4 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (B) the Credit Linked Conditions and related provisions shall apply to such principal amount outstanding of such Note in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable to Holders under the relevant Series, the Calculation Agent will (i) determine such adjustment(s) to these Credit Linked Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Note Condition 14 and (ii) the effective date of such adjustment(s).

(iii) If the provisions of this Credit Linked Condition 13 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 part redemption.

14. Provisions relating to Multiple Holder Obligation

If this Credit Linked Condition 14 is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (a) to (e) of the definition of "Restructuring" in Credit Linked Condition 1 shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

"**Multiple Holder Obligation**" means an Obligation that (i) at the time 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.

15. Provisions taken from the ISDA supplement titled "Additional Provisions for Physically Settled Default Swaps - Monoline Insurer as Reference Entity (January 2005)"

If this Credit Linked Condition 15 is specified as applicable in the applicable Final Terms, the following provisions will apply:

(a) Obligation and Deliverable Obligation. Paragraph (a) of the definition of "Obligation" in Credit Linked Condition 1 and paragraph (a) of the definition of "Deliverable Obligation" in Credit Linked Condition 1 are hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee".

(b) Interpretation of Provisions. In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (ii) of the definition of "Deliverable Obligation" in Credit Linked Condition 1 will apply, with references to the "Qualifying Guarantee", the "Underlying Obligation" and the "Underlying Obligor" deemed to include the "Qualifying Policy", the "Insured Note" and the "Insured Obligor", respectively, except that:

(i) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Note in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Note, and the terms "obligation" and "obligor" as used in these Credit Linked Conditions in respect of such an Insured Note shall be construed accordingly;

(ii) references in the definitions of "Assignable Loan" and "Consent Required Loan" to "the "guarantor" and "guaranteeing" shall be deemed to include "the "insurer" and "insuring", respectively;

(iii) neither the Qualifying Policy nor the Insured Note must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;

(iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Note, the Qualifying Policy must be transferable at least to the same extent as the Insured Note; and

(v) with respect to an Insured Note in the form of a pass-through certificate or similar funded beneficial interest, the term "Outstanding Principal Balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the

Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

For the avoidance of doubt, if Credit Linked Condition 16 is specified as applying in the applicable Final Terms, the amendments to paragraph (ii) of the definition of "Deliverable Obligation" in Credit Linked Condition 1 provided in Credit Linked Condition 16 shall not be construed to apply to Qualifying Policies and Insured Notes.

(c) Not Contingent. An Insured Note will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Note is subject to provisions limiting recourse in respect of such Insured Note to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Note Payments owing under such Insured Note, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Note Payments that would have been required to be made absent any such limitation or reduction. By specifying that this Credit Linked Condition 15 is applicable, no inference should be made as to the interpretation of the "Not Contingent" Deliverable Obligation Characteristic in the context of limited recourse or similar terms applicable to Deliverable Obligations other than Qualifying Policies.

(d) Deliver. For the purposes of the definition of "Deliver" in Credit Linked Condition 1, "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Note and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Note and the related Qualifying Policy), and "Delivery" and "Delivered" will be construed accordingly.

(e) Provisions for Determining a Successor. The paragraph commencing "For the purposes of this definition of "Successor"…" in the definition of "Successor" in Credit Linked Condition 1 is hereby amended by adding "or insurer" after "or guarantor".

(f) Substitute Reference Obligation. The first paragraph of the definition of "Substitute Reference Obligation" and paragraph (b) thereof in Credit Linked Condition 1 is hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee". For the purposes of sub-paragraph (a)(ii)(B) of the definition of "Substitute Reference Obligation", references to "the Qualifying Guarantee" and the "Underlying Obligation" shall be deemed to include "the Qualifying Policy" and "the Insured Note" respectively.

(g) Restructuring

(i) With respect to an Insured Note that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (a) to (e) inclusive of the definition of "Restructuring" in Credit Linked Condition 1 are hereby amended to read as follows:

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

(ii) a reduction in the amount of the Note Payments described in paragraph (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy;

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

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

(v) any change in the currency or composition of any payment of Note Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency."

(ii) Paragraph (iii) of the definition of "Restructuring" in Credit Linked Condition 1 is hereby amended by adding "or, in the case of a Qualifying Policy and an Insured Note, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Note Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Note Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy" after "Reference Entity".

(iii) The definition of "Restructuring" in Credit Linked Condition 1 is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

"For purposes of the definition of "Restructuring" in Credit Linked Condition 1 and if Credit Linked Condition 14 is specified as applying in the applicable Final Terms, for the purposes of the Credit Linked Conditions the term Obligation shall be deemed to include Insured Notes for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Note, references to the Reference Entity in the definition of "Restructuring" shall be deemed to refer to the Insured Obligor and the references to the Reference Entity in paragraphs (e)(i) to (iii) inclusive in the definition of "Restructuring" shall continue to refer to the Reference Entity."

(h) Fully Transferable Obligation and Conditionally Transferable Obligation. In the event that "Restructuring Maturity Limitation and Fully Transferable Obligation" and/or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" is specified as applying in the applicable Final Terms and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Note must meet the requirements of the relevant definition. References in the definition of "Conditionally Transferable Obligation" to the "guarantor" and "guaranteeing" shall be deemed to include "the "insurer" and "insuring" respectively. With respect to an Insured Note in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in Credit Linked Condition 5 and the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

(i) Other Provisions. For purposes of paragraph (a)(ii) of the definition of "Deliverable Obligation" and the definitions of "Credit Event" and "Deliver" in Credit Linked Condition 1, references to the "Underlying Obligation" and the "Underlying Obligor" shall be deemed to include "Insured Notes" and the "Insured Obligor" respectively.

(j) Additional Definitions.

"**Qualifying Policy**" means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Note Payments of an instrument that constitutes Borrowed Money (modified as set forth in this Credit Linked Condition 15) (the "**Insured Note**"*)* for which another party (including a special purpose entity or trust) is the obligor (the "**Insured Obligor**"). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Note Payments).

"**Note Payments**" means (A) in the case of any Insured Note that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Note, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in Credit Linked Condition 15(c) above and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

"**Certificate Balance**" means, in the case of an Insured Note that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

16. Supplement to provisions relating to Qualifying Guarantee and Underlying Obligation

(a) If this Credit Linked Condition 16 is specified as applicable in the applicable Final Terms, these Credit Linked Conditions shall be amended by:

(i) the deletion of the definition of "Downstream Affiliate" and the substitution of the following therefor:

""**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.";

(ii) the deletion of paragraphs (ii)IV(b) and (ii)IV(c) of the definition of "Deliverable Obligation", the substitution of the following therefor and the re-numbering of the remaining paragraphs accordingly:

"(ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Not Subordinated, Specified

Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law."; and

(iii) the deletion of the definition of "Qualifying Guarantee" and the substitution of the following therefor:

""**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**"). 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 discharged, reduced or otherwise altered or assigned (other than by operation law) 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."

(b) Credit Linked Condition 14 shall be amended by the insertion of the following at the end of the first paragraph thereof:

"provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (ii) of the definition of "Multiple Holder Obligation" below".

17. Provisions taken from the ISDA supplement titled Additional Provisions for LPN Reference Entities (published on 3rd October, 2006)

If this Credit Linked Condition 17 is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the Credit Linked Conditions, the following provisions will apply:

(a) provisions relating to Multiple Holder Obligation will be deemed to be Not Applicable with respect to any Reference Obligation (and any Underlying Loan);

(b) each Reference Obligation will be an Obligation, notwithstanding anything to the contrary in the Credit Linked Conditions including, but not limited to the definition of "Obligation" in Credit Linked Condition 1, and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity;

(c) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in the Credit Linked Conditions including, but not limited to the definition of "Deliverable Obligation" in Credit Linked Condition 1 and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity.

For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Note, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Note (as applicable) relating to such LPN Reference Obligation.

The Not Subordinated Obligation Characteristic and Deliverable Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

(d) the definition of Reference Obligation shall be deleted and the following substituted therefor:

""**Reference Obligation**" means, as of the Trade Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List (each a "**Markit Published LPN Reference Obligation**"), as published by Markit Group Limited, or any successor thereto, which list is as of the Issue Date available at http://www.markit.com/marketing/services.php, any Additional LPN and each Additional Obligation."; and

(e) the following additional definitions shall apply:

"**Additional LPN**" means any bond issued in the form of a loan participation note (a "**LPN**") by an entity (the "**LPN Issuer**") for the sole purpose of providing funds for the LPN Issuer to (a) finance a loan to the Reference Entity (the "**Underlying Loan**") or (b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the "**Underlying Finance Note**"), provided that (i) either (x) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity or (y) in the event that there is an Underlying Finance Note with respect to such LPN the Underlying Finance Note satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics (ii) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Credit Linked Specified Currency – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Note (as applicable) for the benefit of the holders of the LPNs.

"**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List (each a "**Markit Published LPN Reference Obligation**"), as published by Markit Group Limited, or any successor thereto, as of the Trade Date, which list is currently available at http://www.markit.com/marketing/services.php.

"**First Ranking Interest**" means a charge, security interest (or other type of interest having similar effect) (an "**Interest**"), which is expressed as being "first ranking", "first priority", or similar ("**First Ranking**") in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any related insolvency jurisdiction of the LPN Issuer).

"**LPN Reference Obligation**" means each Reference Obligation other than any Additional Obligation.

For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation constituting a Reference Obligation.

Each LPN Reference Obligation is issued for the sole purpose of providing funds for the Issuer to finance a loan to the Reference Entity. For the purposes of the Credit Linked Conditions each such loan shall be an Underlying Loan.

18. Calculation Agent

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 pursuant to these Credit Linked Conditions and related provisions shall (in the absence of manifest error) be final and binding on the Issuer and the Holders and shall be without liability on the part of the Calculation Agent and without the Calculation Agent being obliged to consider the interests of the Issuer or the Holders. In performing its duties pursuant to these Credit Linked Conditions, 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 its discretion under these Credit Linked Conditions including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

19. Amendment of Credit Linked Conditions in accordance with Market Convention

The Calculation Agent may from time to time amend any provision of these Credit Linked Conditions to incorporate and/or reflect further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees which the Calculation Agent determines in a commercially reasonable manner are necessary or desirable to reflect or govern market practice for credit derivative transactions. Any amendment made in accordance with this Credit Linked Condition 19 shall be notified to the Holders in accordance with Note Condition 13.

PART B - EMERGING MARKET EARLY REDEMPTION PROVISIONS

The provisions of this Part B of Annex 5 of the Terms and Conditions will apply in addition to Part A if and to the extent so specified in the applicable Final Terms.

20. Currency Event

(a) If in the determination of the Calculation Agent a Currency Event occurs, the Issuer shall have the right to redeem or cancel all, but not some only, of the Notes, having given not less than 10 nor more than 30 days' notice to the Noteholders in accordance with Note Condition 13 at the Early Redemption Amount (for the avoidance of doubt, less Associated Costs).

Where the Notes are so redeemed or cancelled following the occurrence of a Currency Event, the Early Redemption Amount shall be payable in the Domestic Currency (at a rate determined by the Calculation Agent in a commercially reasonable manner), provided that where the relevant Noteholder is unable to receive, or the Issuer is unable to pay, the Domestic Currency and remains unable to do so for a period of 18 months from the Notice Date, no payment shall be made and the Issuer's obligation to pay the Early Redemption Amount shall be deemed to be fully satisfied and discharged.

(b) For the purposes of this Credit Linked Condition 20:

"**Domestic Currency**" means as defined in Credit Linked Condition 1 above.

"**Domestic Jurisdiction**" means the jurisdiction of the relevant Reference Entity (if the Reference Entity is a Sovereign) or the jurisdiction of organisation of the relevant Reference Entity (if the Reference entity is not a Sovereign).

"**Currency Event**" means any action, event or circumstance whatsoever which from a legal or practical perspective:

(i) has the direct or indirect effect of hindering, limiting or restricting (including, without limitation, by way of any delay, increased costs, discriminatory rates of exchange):

I. the convertibility of Domestic Currency into Specified Currency, or

II. the transfer of (a) Specified Currency (i) within the Domestic Jurisdiction or (ii) from the Domestic Jurisdiction to any other country (including, without limitation, by way of any current or future restrictions on repatriation Specified Currency) or (b) Domestic Currency (i) within the Domestic Jurisdiction or (ii) to a party that is non-resident of the Domestic Jurisdiction; and/or

(ii) results in the unavailability of Specified Currency in the interbank foreign exchange market located in the Domestic Jurisdiction in accordance with normal commercial practice.

"**Notice Date**" means the date on which the Issuer gives notice to the Noteholders of its intention to redeem or cancel the Notes following the occurrence of a Currency Event, as provided for in Credit Linked Condition 20(a) above.

"**Specified Currency**" means as defined in the applicable Final Terms.

21. Cross Border Disruption Events

(a) If in the determination of the Calculation Agent a Cross Border Disruption Event occurs, the Issuer shall have the right, in its sole and absolute discretion, to:

(i) redeem or cancel (as applicable) all, but not some only, of the Notes, having given not less than 10 nor more than 30 days' notice to the Noteholders in accordance with Note Condition 13 at the Early Redemption Amount (for the avoidance of doubt, less Associated Costs); or

(ii) make such commercially reasonable adjustments to the Interest Amount or Final Redemption Amount or any other necessary provisions incidental thereto, as may be necessary to account for any additional cost to, or loss incurred by, the Issuer, any Hedging Party or any Affiliates as a result of the occurrence of such Cross Border Disruption Event, as notified to the relevant Noteholders promptly following such event.

(b) For the purposes of this Credit Linked Condition 21:

"**Cross Border Disruption Event**" means the occurrence of a Reference Obligation Disruption Event or a Tax Disruption Event, as determined by the Calculation Agent in its sole and absolute discretion.

"**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 the Reference Entity or of the jurisdiction of organisation of the Reference Entity.

"**Hedging Party**" means the Issuer and/or any Affiliate and/or any other party which conducts or may conduct hedging arrangements in respect of the Issuer's obligations in respect of the Notes from time to time.

"**Reference Obligation Disruption Event**" means any event, action or circumstance whatsoever which:

(i) results in (or in the determination of the Calculation Agent is likely to result in) a corporate holder of the Reference Obligations not receiving the full value of any principal, interest or other amounts due in respect of the Reference Obligations on the date such principal, interest or other amounts are due; and/or

(ii) affects (or in the determination of the Calculation Agent is likely to affect) in any way the ability of a Hedging Party to (i) acquire, hold or redeem any of the Reference Obligations or (ii) hedge (directly or indirectly) the obligations of the Issuer in respect of the Notes (including by holding or transferring an amount of the Domestic Currency).

"**Tax Disruption Event**" means (i)(A) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) by the Reference Entity or any Governmental Authority, (B) the issuance of any order or decree by any Governmental Authority, (C) any action being taken by a taxing authority in the jurisdiction of the Reference Entity, or (D) the occurrence of any other act or event at any time relating to the withholding or deduction for or on account of tax in relation to any of the Obligations, which in the case of (A) to (D) above will (or in the Calculation Agent's opinion there is a substantial likelihood that it will) adversely affect the economic value of any of the Reference Obligations to any holder thereof; (ii) the imposition of any taxes, duties, costs or expenses on the transfer of Specified Currency within or

from within to outside the jurisdiction of the Reference Entity; (iii) the imposition of any additional taxes on any Obligations of the Reference Entity issued in the jurisdiction of the Reference Entity; or (iv) the imposition of any taxes, duties, costs or expenses on any conversion of Domestic Currency into Specified Currency.

ANNEX 6

ADDITIONAL TERMS AND CONDITIONS FOR PHYSICAL DELIVERY NOTES

The terms and conditions applicable to Physical Delivery Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**" or "**Conditions**"), the additional terms and conditions for Physical Delivery Notes set out below (the "**Physical Delivery Note Conditions**") and any additional terms and conditions specified in the applicable Final Terms, subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Physical Delivery Note Conditions, the Physical Delivery Note Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Physical Delivery Note Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

1. Interpretation

These Physical Delivery Note Conditions apply to Notes specified as being Physical Delivery Notes in the applicable Final Terms or where Physical Delivery is specified in the applicable Final Terms. Terms used but not otherwise defined herein shall have the meanings given to them in the Note Conditions or the applicable Final Terms, as the case may be.

References in these Physical Delivery Note Conditions to "delivery", "delivered" and "deliver" shall in the context of the delivery of the Entitlement in respect of Credit Linked Notes be deemed to be references to "Delivery", "Delivered" and "Deliver" as such terms are defined and construed in the Credit Linked Conditions.

2. Delivery of Entitlement and Asset Transfer Notices

In order to obtain delivery of the Entitlement(s) in respect of any Note:

(i) if such Note is represented by a Global Note held through Euroclear or Clearstream, Luxembourg, the relevant Holder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Paying Agent and the Issuer not later than the close of business in each place of reception on the Cut-Off Date (as specified in the applicable Final Terms), a duly completed Asset Transfer Notice substantially in the form set out in the Agency Agreement (and as annexed to the applicable Final Terms) (the "**Asset Transfer Notice**") in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg (as applicable);

(ii) if such Note is represented by a Global Note held through DTC or the CMU Service, the relevant Holder must comply with the requirements regarding the content and delivery of an asset transfer or other similar notice as shall be set out in the applicable Final Terms; and

(iii) if such Note is in definitive form, the relevant Holder must deliver to any Paying Agent, with a copy to the Principal Paying Agent and 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.

Forms of the Asset Transfer Notice (as set out in the Agency Agreement and annexed to the applicable Final Terms) 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 Euroclear or Clearstream, Luxembourg, as the case may be or (ii) if such Note is in definitive form in writing.

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

The Issuer shall at the risk of the relevant Holder deliver the Entitlement in respect of each Note or, in the case of Credit Linked Notes, Deliver the Deliverable Obligations comprising the Entitlement in such commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery.

All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities, transfer and/or other taxes or duties (together "**Expenses**") arising from the redemption of the Notes and the delivery of any Entitlement shall be for the account of the relevant Holder and no delivery and/or transfer of any Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

An Asset Transfer Notice must:

(i) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement if such delivery is to be made otherwise than in the manner specified in the applicable Final Terms;

(ii) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Holder's account with such Notes on or before the Maturity Delivery Date (as defined below) or, in the case of Credit Linked Notes, the Credit Settlement Date;

(iii) include an undertaking to pay all Expenses and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;

(iv) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Holder's account to be credited with any cash payable by the Issuer, in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement, as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amounts;

(v) certify that the beneficial owner of each Note is not a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended, which term is deemed to include any person that does not meet the definition of 'Non-United States Person' in Rule 4.7 promulgated by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act, as amended (the "**CEA**") ("**US Person**"), 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; and

(vi) authorise the production of such notice in any applicable administrative or legal proceedings.

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

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Holder is the holder of the specified nominal amount of Notes according to its books.

Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Paying Agent the series number and number of Notes the subject of such notice, the relevant account details (if applicable) and the details for the delivery of the Entitlement in respect of each such Note. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Maturity Delivery Date or Credit Settlement Date, as the case may be, debit the securities account of the relevant Holder with the Notes the subject of the relevant Asset Transfer Notice.

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 the Physical Delivery Note Conditions shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, Luxembourg, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Holder or in the case of Notes in definitive form, by the Issuer and shall be conclusive and binding on the relevant Holder.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, as the case may be, or the Issuer, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

Euroclear or Clearstream, Luxembourg, as applicable, shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, Euroclear or Clearstream, Luxembourg shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with these Physical Delivery Note Conditions, the "**Maturity Delivery Date**") or, in the case of Credit Linked Notes, in the manner provided above on the Credit Settlement Date, provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Principal Paying Agent and the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date.

If an Asset Transfer Notice is delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Principal Paying Agent and the Issuer, later than the close of business in each place of receipt on the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Maturity Delivery Date) or, in the case of Credit Linked Notes, the Credit Settlement Date at the risk of such Holder in the manner provided above. Provided That if in respect of a Note an Asset Transfer Notice is not delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Principal Paying Agent and the Issuer, later than the close of business in each place of receipt on the 90th calendar day following the Cut-off Date the Issuer's obligations in respect of such Note shall be discharged and no further liability in respect thereof shall attach to the Issuer. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any

payment, whether of interest or otherwise, as a result of such Maturity Delivery Date or the Credit Settlement Date, as the case may be, falling after the originally designated Maturity Delivery Date or Credit Settlement Date, as the case may be, and no liability in respect thereof shall attach to the Issuer.

Delivery of the Entitlement in respect of the Notes is subject to all applicable laws, regulations and practices in force on the Maturity Delivery Date or the Credit Settlement Date, as the case may be, and none of the Issuer or any of its Affiliates or agents and the Paying Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or any of its Affiliates or agents and the Paying Agents shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg in relation to the performance of their duties in relation to the Notes.

For such period of time after the Maturity Delivery Date or Credit Settlement Date, as the case may be, as any person other than the relevant Holder shall continue to be the legal owner of the securities, obligations or Deliverable Obligations comprising the Entitlement (the "**Intervening Period**"), neither of the Issuer nor any other such person shall (i) be under any obligation to deliver or procure delivery to the relevant Holder or any subsequent beneficial owner of such Note 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, obligations or Deliverable Obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities, obligations or Deliverable Obligations during the Intervening Period or (iii) be under any liability to the relevant Holder, or any subsequent beneficial owner of such Note in respect of any loss or damage which the relevant Holder, 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, obligations or Deliverable Obligations during such Intervening Period.

Where the Entitlement comprises shares, any dividend or other distribution in respect of such Entitlement will be payable to the party that would receive such dividend or other distribution according to market practice for a sale of the Underlying Equity executed on the Maturity Delivery Date and to be delivered in the same manner as the Entitlement. Any such dividend or other distribution to be paid to a Holder shall be paid to the account specified in the relevant Asset Transfer Notice.

Except in the case of Credit Linked Notes, where the Entitlement is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Holders will receive an Entitlement comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Entitlements), and in respect of the amount of Relevant Assets not capable of being delivered, an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate).

Without prejudice to the generality of the above, where the Entitlement comprises shares and is, in the determination of the Issuer, an amount which does not correspond with the board lot for such Relevant Asset or an integral multiple thereof, the Issuer may, in its sole and absolute discretion, elect, in respect of each Note, to either deliver the non-board lot Relevant Asset or pay a cash amount representing the value of the non-board lot by reference to the value of the Relevant Assets as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the

Calculation Agent deems appropriate). Any fractional shares would be payable in cash by reference to the same value.

3. Settlement Disruption Event

The provisions of this Physical Delivery Note Condition 3 shall apply to Physical Delivery Notes other than Credit Linked Notes.

If, prior to the delivery of the Entitlement in accordance with these Physical Delivery Note Conditions, a Settlement Disruption Event is subsisting, then the Maturity Delivery Date in respect of such Note shall be postponed until the next Settlement Business Day on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Holder, in accordance with Note Condition 13. Such Holder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Entitlement pursuant to these Physical Delivery Note Conditions. Where delivery of the Entitlement has been postponed as provided in the Physical Delivery Note Conditions the Issuer shall not be in breach of these Conditions and no liability in respect thereof shall attach to the Issuer.

For so long as delivery of the Entitlement in respect of any Note is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Holder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the "**Election Notice**") is given to the Holders in accordance with Note Condition 13.

4. Failure to Deliver due to Illiquidity

The provisions of this Physical Delivery Note Condition 4 shall apply to Physical Delivery Notes other than Credit Linked Notes.

If Failure to Deliver due to Illiquidity is specified as applying in the applicable Final Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the Entitlement (the "**Affected Relevant Assets**"), where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a "**Failure to Deliver due to Illiquidity**"), then:

(i) subject as provided elsewhere in the Physical Delivery Note Conditions and/or the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Maturity Delivery Date in accordance with the Physical Delivery Note Conditions; and

(ii) in respect of any Affected Relevant Assets, notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the relevant Holder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date the Failure to Deliver Notice (as defined below) is given to the Holders in accordance with Note Condition 13. The Issuer shall give notice (such notice a "**Failure to Deliver Notice**") as soon as reasonably practicable to the Holders in accordance with Note Condition 13 that the provisions of this Physical Delivery Note Condition 4 apply.

5. Option to Vary Settlement

The provisions of this Physical Delivery Note Condition 5 shall apply to Physical Delivery Notes other than Credit Linked Notes.

If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Notes, the Issuer may at its sole and unfettered discretion in respect of each such Note, elect not to pay the relevant Holders the Final Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Note Condition 13. In such circumstances, each relevant Noteholder's Entitlement will be delivered subject to the payment of Expenses by such Noteholder pursuant to Physical Delivery Note Condition 2.

6. Additional Provisions for Credit Linked Notes

The provisions of this Physical Delivery Note Condition 6 shall apply to Credit Linked Notes.

In relation to each Deliverable Obligation constituting the Entitlement the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided in Physical Delivery Note Condition 3 on the Credit Settlement Date, Provided That if all or some of the Deliverable Obligations included in the Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, on or before the 30th Business Day following the Credit Settlement Date (the "**Final Delivery Date**"), Provided Further That if all or a portion of such Undeliverable Options or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of Credit Linked Condition 10 shall apply.

7. Definitions

For the purposes of these Physical Delivery Note Conditions:

"**Disruption Cash Settlement Price**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to the fair market value of such Notes (but not taking into account any interest accrued on such Note and paid pursuant to Note Condition 13 and Note Condition 5) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date that the Election Notice is given as provided above less the cost to the Issuer and/or its Affiliates or agents of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

"**Entitlement**" means, in relation to a Physical Delivery Note (other than a Credit Linked Note), the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Noteholder is entitled to receive on the Maturity Delivery Date in respect of each such Note following payment of the Expenses (and any other sums payable), as determined by the Calculation Agent including any documents evidencing such Entitlement.

"**Failure to Deliver Settlement Price**" means, in respect of each nominal amount of the Notes equal to the Calculation Amount, the fair market value of the Affected Relevant Assets in respect of such Notes on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

Settlement Disruption Event" means an event beyond the control of the Issuer, as a result of which, in the opinion of the Calculation Agent, delivery of the Entitlement by or on behalf of the Issuer in

accordance with the Physical Delivery Note Conditions and/or the applicable Final Terms is not practicable.

ANNEX 7

ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES (2014 ISDA CREDIT DERIVATIVES DEFINITIONS VERSION)

The Additional Terms and Conditions for Credit Linked Notes set out below reflect (to the extent relevant to the Notes) the 2014 ISDA Credit Derivatives Definitions (published on 21 February 2014).

The terms and conditions applicable to Credit Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**" and "**Conditions**") and the additional terms and conditions for Credit Linked Notes set out below (the "**Credit Linked Conditions**" and, together with the Note Conditions, the "**Base Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Base Conditions and the Credit Linked Conditions, the Credit Linked Conditions shall prevail. In the event of any inconsistency between (a) the Base Conditions and/or the Credit Linked Conditions and (b) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Credit Linked Conditions to "Holder" or "Holders" and "Noteholder" or "Noteholders" shall be deemed to be references to a holder or the holders, as the case may be, of relevant Notes.

Unless otherwise stated in these Credit Linked Conditions or in the applicable Final Terms, in the event that any day specified in the section "*Credit Linked Notes*" in the applicable Final Terms or the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such day or last day shall be subject to adjustment in accordance with the applicable Business Day Convention.

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

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

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

(b) Obligations, Deliverable Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.

The Final Terms shall specify:

(a) the type of Credit Linked Notes;

(b) the Settlement Method and, where Auction Settlement applies, the applicable Fallback Settlement Method;

(c) the Reference Entity or Reference Entities in respect of which a Credit Event may occur;

(d) the Reference Obligation(s) (if any) in respect of each Reference Entity;

(e) the Trade Date and the Scheduled Maturity Date;

(f) the Reference Entity Notional Amount in respect of each Reference Entity; and

(g) the Transaction Type applicable to each Reference Entity if Physical Settlement Matrix is specified as being applicable in the Final Terms.

Certain elections in respect of Credit Linked Notes and one or more Reference Entities may be made by specifying that the Physical Settlement Matrix is applicable in the Final Terms. In this case the provisions of Credit Linked Condition 20 (*Early redemption or exercise of Reference Obligation Only Notes following a Substitution Event*) apply.

PART A - CREDIT EVENT SETTLEMENT PROVISIONS

1. Definitions applicable to Credit Linked Notes

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

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

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

(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 3 (*Auction Settlement*)), 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 3 (*Auction Settlement*)), 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 9 (*Maturity Date/Interest Payment Date Extension*) applies, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligation (as applicable), whether such Quotations shall include or exclude accrued but unpaid interest.

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

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

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

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

"**Asset Package Credit Event**" means:

(a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the Final Terms:

(i) a Governmental Intervention; or

(ii) a Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in the 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 Final Terms, a Restructuring,

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

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

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

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

"**Auction Final Price**" has the meaning set forth in the Transaction Auction Settlement Terms.

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

"**Auction Settlement Date**" means the date that is the number of Business Days specified in the Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, five Business Days) immediately following the Auction Final Price Determination Date.

"**Auction Settlement Notice**" has the meaning given to that term in Credit Linked Condition 3.

"**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 judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the Scheduled Maturity Date, whichever is earlier;

(e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

(g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter or before the Scheduled Maturity Date, whichever is earlier; or

(h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g) (inclusive).

"**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 "Floating Rate Convention" is specified as the applicable Business Day Convention in the applicable Final Terms, (i) if there is no numerically corresponding day in the calendar month in which such date should occur, then that date will be the last day that is a Business Day in the relevant month; or (ii) if such date would otherwise fall on a day which is not a Business Day, then that date will be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date will be brought forward to the immediately preceding Business Day and (B) each subsequent date will be the last Business Day in the month which falls in the Specified Period after the preceding applicable date has occurred;

(b) 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;

(c) 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

(d) 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.

"**Calculation Agent Physical Settlement Amendment Notice**" means a notice by the Calculation Agent to the Issuer containing material information required to be included in a Physical Settlement Amendment Notice to be given by the Issuer.

"**Calculation Agent Physical Settlement Notice**" means a notice from the Calculation Agent to the Issuer containing material information required to be included in a Physical Settlement Notice to be given by the Issuer.

"**Cash Settlement Notice**" has the meaning given to that term in Credit Linked Condition 4.

"**Conditionally Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case as of each such date the Calculation Agent determines appropriate for purposes of the Hedging Arrangements, 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 of "Conditionally Transferable Obligation".

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

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

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

"**Credit Event**" means the occurrence of any one or more of the Credit Events specified in the applicable Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring, or Governmental Intervention or any additional Credit Event specified in the applicable Final Terms, as determined by the Calculation Agent.

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

(a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"**Credit Event Backstop Date**" means:

(a) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in paragraph (b) of the definition of Repudiation/Moratorium), as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date; or

(b) otherwise, the date that is sixty (60) calendar days prior to the earlier of:

(i) if the Notice Delivery Date occurs during the Notice Delivery Period, the Notice Delivery Date; and

(ii) if the Notice Delivery Date occurs during the Post Dismissal Additional Period, the Credit Event Resolution Request Date.

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

"**Credit Event Determination Date**" means, with respect to a Credit Event with respect to which:

(a) Auction Settlement is the applicable Settlement Method:

(i) subject to paragraph (a)(ii) of this definition, the Notice Delivery Date if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

(ii) notwithstanding paragraph (a)(i) of this definition, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:

(A) (1) the Credit Event is not an M(M)R Restructuring; and

(2) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or

(B) (1) the Credit Event is an M(M)R Restructuring; and

(2) a Credit Event Notice is delivered and is effective on or prior to the Exercise Cut-off Date, *provided that* no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, or the Calculation Agent otherwise

determines this is consistent with the Issuer's Hedging Arrangements, or

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

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

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

"**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 the Extension Date.

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

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

"**Credit Event Redemption Amount**" means the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

A is the Calculation Amount;

B is the Final Price or the Auction Final Price, if applicable; and

C is Unwind Costs,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

"**Credit Event Redemption Date**" means, subject to Credit Linked Condition 11, the day falling three Business Days, or such other number of Business Days specified in the applicable Final Terms,

after (i) the calculation of the Final Price or (ii) the Auction Settlement Date, as applicable, in each case in respect of the Reference Entity the occurrence of which results in the Notes becoming redeemable.

"**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.

"**Credit Settlement Date**" means the last day of the longest Physical Settlement Period following the PSN Cut-off Date (the "**Scheduled Credit Settlement Date**") provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Credit Settlement Date, the Credit Settlement Date shall be the earlier of (i) the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling 60 Business Days following the Scheduled Credit Settlement Date.

"**Currency Amount**" means, with respect to (a) a Deliverable Obligation specified in a Physical Settlement Notice that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each Physical Settlement Amendment Notice with respect to that portion of the relevant Notes into the currency of denomination of the relevant Replacement Deliverable Obligation.

"**Currency Rate**" means, with respect to (a) a Deliverable Obligation specified in the Physical Settlement Notice or any Physical Settlement Amendment Notice, as applicable, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Principal Balance or Due and Payable Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

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

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

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

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

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

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

"**DC Determination Cut-off Date**" has the meaning given to that term in Credit Linked Condition 8 (*Credit Derivatives Determinations Committee Extension*).

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

"**DC Resolution**" has the meaning set out in the DC Rules.

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

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

"**Default Requirement**" means the amount specified as such in the applicable Final Terms or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency or, if no such amount is specified in the applicable Final Terms, US$10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

"**Deliver**" means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Entitlement to the relevant Holder 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 (i) if all or a portion of the Entitlement consists of Direct Loan Participations, "Deliver" means to create (or procure the creation of) a participation in favour of the relevant Holder and (ii) if a Deliverable Obligations is a Guarantee, "Deliver" means to deliver both the Guarantee and the Underlying Obligation, provided further that if the Guarantee has a Fixed Cap, "Deliver" means to deliver the Guarantee the underlying Obligation and all claims to any amounts which are subject to a Fixed Cap. "Delivery" and "Delivered" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Physical Settlement Notice or Physical Settlement Amendment Notice, as applicable, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (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 Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three Business Days following the date on which the Issuer has notified the Holders in accordance with Credit Linked Condition 5 (*Physical Settlement*) 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 the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in "(i) Method for Determining Deliverable Obligations" below;

(b) the Reference Obligation;

(c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and

(d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in the 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).

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

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

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

(1) "**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 the Reference Entity is guaranteeing such Loan) or any agent;

(2) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such loan) or any agent;

(3) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Holder that provides each Holder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Holder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

(4) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

(I) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);

(II) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or

(III) restrictions in respect of blocked periods on or around payment dates or voting periods;

(5) "**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than the period specified in the applicable Final Terms (or if no such period is specified, 30 years);

(6) "**Accelerated or Matured**" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and

(7) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream International or any other internationally recognised clearing system.

(ii) Interpretation of Provisions

(A) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in the applicable Final Terms, the Final Terms shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.

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

(C) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Deliverable Obligation Characteristics in the applicable Final Terms, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

(D) If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:

(1) for purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation;

(2) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";

(3) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured" and "Not Bearer";

(4) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor;

(5) for purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero;

(6) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the Final Terms, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Deliverable Obligation Characteristic;

(7) for purposes of determining the applicability of Deliverable Obligation Characteristics to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event; and

(8) if "Subordinated European Insurance Terms" is specified as applicable in the Final Terms, if an obligation would otherwise satisfy the "Maximum Maturity" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

For the avoidance of doubt the provisions of this paragraph (ii) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

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

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

"**Domestic Currency**" means the currency specified as such in the applicable Final Terms and any successor currency, hereto, 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**" means 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 either (A) the relevant PSN Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date), or (B) the relevant Valuation Date, as applicable.

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

"**Eligible Transferee**" means:

(a) any

(i) bank or other financial institution;

(ii) insurance or reinsurance company;

(iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i); and

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

provided, however, that in each case such entity has total assets of at least US$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 US$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 US$100 million; or

(ii) that has total assets of at least US$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 keep well, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) or (d); or

(iv) a Sovereign; or

(v) 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 US$ include equivalent amounts in other currencies, in each case as determined by the Calculation Agent.

"**Entitlement**" means, in respect of each nominal amount of Credit Linked Notes equal to the Calculation Amount, as applicable, Deliverable Obligations, as selected by the Calculation Agent, with:

(a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance; or

(b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the Calculation Amount less, if Unwind Costs are specified as applying in the applicable Final Terms, Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to a *pro rata* share of Unwind Costs.

"**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 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 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.

"**Exercise Cut-off Date**" means either:

(a) with respect to an M(M)R Restructuring and any Note to which paragraph (a) of the definition of Credit Event Determination Date above applies:

(i) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or

(ii) otherwise, the date that is 14 calendar days following the relevant No Auction Announcement Date; or

(iii) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or

(b) with respect to a Credit Event where paragraph (a) of the definition of Credit Event Determination Date does not apply, the relevant Non-Standard Exercise Cut-off Date,

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

"**Extension Date**" means the latest of:

(a) the Scheduled Maturity Date (for the purposes of this definition of Extension Date, the "**Scheduled Termination Date**");

(b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applying in the Final Terms and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Termination Date; and

(c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in the Final Conditions, as applicable.

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

"**Final Price**" means the price of the Reference Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, determined in accordance with the Valuation Method specified in the applicable Final Terms. The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Holder at the specified office of the Principal Paying Agent (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

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

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

"**Fully Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds, in each case, as of each such date as the Calculation Agent determines relevant for purposes of Hedging Arrangements. 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 of "Fully Transferable Obligation".

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

"**Governmental Authority**" means:

(a) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);

(b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;

(c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or

(d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

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

(a) any event which would affect creditors' rights so as to cause:

(i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);

(ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

(iii) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or

(iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;

(b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;

(c) a mandatory cancellation, conversion or exchange; or

(d) any event which has an analogous effect to any of the events specified in paragraphs (a) to (c).

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

"**Grace Period**" means:

(a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of the relevant Obligation in effect as of the date as of which such Obligation is issued or incurred;

(b) if "Grace Period Extension" is specified as applying in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date or relevant Interest Payment Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date or relevant Interest Payment Date be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, 30 calendar days; and

(c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three

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

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

"**Grace Period Extension Date**" means, if:

(a) Grace Period Extension is specified as applying in the applicable Final Terms; and

(b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date or relevant Interest Payment 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 Final Terms, Grace Period Extension shall not apply. "**Hedge Disruption Event**" means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates and/or its agents has not received the relevant Deliverable Obligations under the terms of the Issuer's Hedging Arrangements (if any).

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

"**Hedge Disruption Obligation**" means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

"**Hedging Arrangements**" means any transaction(s), asset(s) or trading position(s) the Issuer and/or any of its Affiliates or agents may enter into or hold from time to time (including, if applicable, on a portfolio basis) to hedge directly or indirectly and whether in whole or in part the credit or other price risk of the Issuer issuing and performing its obligations with respect to the Credit Linked 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 has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realizable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

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

"**Limitation Date**" means the first of 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, 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.

"**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 Final Terms.

"**Market Value**" means, with respect to a Reference Obligation on a Valuation Date:

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

(b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

(c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;

(d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;

(e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and

(f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

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

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

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

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

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

"**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 Transactions (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 effective 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 an effective 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 Holders in accordance with Note Condition 13.

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

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

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

(a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published;

(b) following the occurrence of an M(M)R Restructuring no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or

(c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either:

(i) no Parallel Auction will be held; or

(ii) one or more Parallel Auctions will be held.

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

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

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

"**Non-Standard Credit Event Determination Date**" means with respect to a Credit Event:

(a) subject to paragraph (b) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

(b) notwithstanding paragraph (a) of this definition, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) either:

(i) the Credit Event Resolution Request Date, if either:

(A) (1) "Auction Settlement" is not the applicable Settlement Method;

(2) the relevant Credit Event is not an M(M)R Restructuring; and

(3) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or

(B) (1) the relevant Credit Event is an M(M)R Restructuring; and

(2) a Credit Event Notice is delivered to the other party and is effective on or prior to the Non-Standard Exercise Cut-off Date, or

(ii) the first date on which a Credit Event Notice is delivered and is effective during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is fourteen calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:

(A) (1) "Auction Settlement" is not the applicable Settlement Method;

(2) the relevant Credit Event is not an M(M)R Restructuring; and

(3) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to a DC Announcement Coverage Cut-off Date; or

(B) the Calculation Agent determines this is otherwise consistent with the Issuer's Hedging Arrangements,

provided that no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date or the Calculation Agent determines this is otherwise consistent with the Issuer's Hedging Arrangements.

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

(a) if such Credit Event is not an M(M)R Restructuring, either:

(i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;

(ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or

(iii) the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable; or

(b) if such Credit Event is an M(M)R Restructuring and:

(i) the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or

(ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date.

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

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

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

"**Notice Delivery Period**" means the period from and including the Trade Date to and including the date that is fourteen (14) calendar days after the Extension Date.

"**Notice of Publicly Available Information**" means a notice from the Calculation Agent (which may be by telephone) 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 notice in Note Condition 13.

"**Notice to Exercise Movement Option**" means, with respect to Notes for which (a) M(M)R Restructuring is applicable in the applicable Final Terms and (b) the Fallback Settlement Method would otherwise be applicable pursuant to the Auction Settlement provisions, an irrevocable notice from the Issuer to the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) 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 Domestic Issuance**" means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

"**Obligation**" means:

(a) any obligation of a Reference Entity (either directly, as a provider of a Relevant Guarantee) determined pursuant to the method described in "Method for Determining Obligations" below and;

(b) each Reference Obligation,

in each case unless it is Excluded Obligation.

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

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

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

(ii) "**Borrowed Money**" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

(iii) "**Reference Obligations Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;

(iv) "**Bond**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;

(v) "**Loan**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and

(vi) "**Bond or Loan**" means any obligation that is either a Bond or a Loan;

(b) "**Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:

(i) (A) "**Not Subordinated**" means an obligation that is not Subordinated to (1) the Reference Obligation or, (2) the Prior Reference Obligation, if applicable;

(B) "**Subordination**" means, with respect to an obligation (the "**Second Obligation**") and another obligation of the Reference Entity to which such obligation is being compared (the "**First Obligation**"), a contractual, trust or 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; and

(C) "**Prior Reference Obligation**" means, in circumstances where there is no Reference Obligation applicable to the relevant Notes, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) 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 Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;

(D) "**Credit Linked Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if Credit Linked Specified Currency is specified in the applicable Final Terms and no currency is so specified, any Standard Specified Currency) provided that if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

(E) "**Not Sovereign Lender**" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt".

(ii) "**Not Domestic Currency**" means any obligation that is payable in any currency other than applicable Domestic Currency provided that a Standard Specified Currency shall not constitute the Domestic Currency;

(iii) "**Not Domestic Law**" means any obligation that is not governed by applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law; and

(iv) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.

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

"**Obligation 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 have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"**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 the relevant Notes are Reference Obligation Only Notes.

"**Outstanding Amount**" means, in respect of a Prior Deliverable Obligation or Package Observable Bond, the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency as specified in the relevant Notice of Physical Settlement.

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

(a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the

Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);

(b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the "**Non-Contingent Amount**"); and

(c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

(i) unless otherwise specified, in accordance with the terms of the obligation in effect on either (A) the relevant PSN Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date), or (B) the relevant Valuation Date; and

(ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

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

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

"**Parallel Auction Cancellation Date**" means "Auction Cancellation Date" as defined in the relevant Parallel Auction Settlement Terms.

"**Parallel Auction Settlement Terms**" means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction provided that if no such Credit Derivatives Auction Settlement Terms are published, the Calculation Agent may select in its sole discretion the applicable Credit Derivatives Auction Settlement Terms.

"**Parallel Notice of Physical Settlement Date**" means "Notice of Physical Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

"**Payment Requirement**" means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the applicable Final Terms, US$1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

"**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 Final Terms, any Solvency Capital Provisions; or

(v) if "Financial Reference Entity Terms" are specified as applicable in the 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 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 Amendment Notice**" has the meaning given to that term in Credit Linked Condition 5.

"**Physical Settlement Notice**" has the meaning given to that term in Credit Linked Condition 5.

"**Physical Settlement Period**" means, subject to Credit Linked Condition 11, the number of Business Days specified as such in the applicable Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Entitlement, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent provided that if the Issuer has notified the Holders in accordance with Credit Linked Condition 5 (*Physical Settlement*) that it will Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be 35 Business Days.

"**Physical Settlement Matrix**" means the "Credit Derivatives Physical Settlement Matrix" as most recently amended or supplemented as at the Trade Date (unless otherwise specified in the Final Terms) and as published by ISDA on its website at www.isda.org (or any successor website). The Physical Settlement Matrix may be applicable to any series of Notes (notwithstanding that the Settlement Method for such Notes may not be Physical Settlement) where Physical Settlement Matrix Standard Terms are specified as applicable in the Final Terms and one or more Transaction Type(s) are specified as applying to the Reference Entity(ies) of such series of Notes.

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

"**Potential Credit Event**" means a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity), a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity) or if a Credit Event Resolution Request Date has occurred and the Credit Derivatives Determinations Committee has not made its determination, such event will be deemed to be a Potential Credit Event. A Credit Derivatives Determinations Committee and the Calculation Agent may each determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred provided that any such determination made by a Credit Derivatives Determinations Committee will be binding on the Calculation Agent.

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

"**Potential Repudiation/Moratorium**" means the occurrence of an event described in paragraph (a) of the definition of Repudiation/Moratorium.

"**Prior Deliverable Obligation**" means:

(a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within paragraphs (a) or (b) of the definition of Deliverable Obligation above, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or

(b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

"**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.

"**PSN Cut-off Date**" means subject, where applicable, to Credit Linked Condition 21:

(a) subject to paragraph (b) below, the later of:

(i) the thirtieth calendar day after the Credit Event Determination Date; and

(ii) the tenth calendar day after either the date of the relevant DC Credit Event Announcement or of the relevant DC Credit Event Question Dismissal, if any (or, if

the relevant Credit Event is an M(M)R Restructuring, the tenth calendar day after the Non-Standard Exercise Cut-off Date); or

(b) if, in accordance with the terms of Credit Linked Condition 3 (*Auction Settlement*), Credit Linked Condition 5 (*Physical Settlement*) applies as a result of the occurrence of (a) an Auction Cancellation Date or (b) a No Auction Announcement Date and:

(i) the relevant Credit Event is not an M(M)R Restructuring, the later of:

(A) the date determined pursuant to paragraph(a)(i); and

(B) the thirtieth calendar day after the Auction Cancellation Date or the No Auction Announcement Date, occurring pursuant to paragraphs (a) or (c)(i) of the definition of No Auction Announcement Date above, as applicable; or

(ii) the relevant Credit Event is an M(M)R Restructuring either:

(A) the later of:

I. the date determined pursuant to paragraph (a)(i); and

II. the thirtieth calendar day after:

(x) a No Auction Announcement Date occurring pursuant to paragraph (a) of the definition of No Auction Announcement Date above, if any;

(y) a No Auction Announcement Date occurring pursuant to paragraph (c)(i) of the definition of No Auction Announcement Date above, if any; or

(z) the Auction Cancellation Date, if any, as applicable; or

(B) the later of the Parallel Notice of Physical Settlement Date (or, if more than one Parallel Notice of Physical Settlement Date should occur, the last Parallel Notice of Physical Settlement Date), and the Relevant City Business Day immediately following the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:

I. a No Auction Announcement Date occurs pursuant to paragraph (a) of the definition of No Auction Announcement Date above and the Issuer has not exercised the Movement Option; or

II. a No Auction Announcement Date occurs pursuant to paragraph (c)(ii) of the definition of No Auction Announcement Date above and the Issuer has not exercised the Movement Option,

provided that in the case of paragraphs (a)(ii) and (b) above, the relevant Credit Event Resolution Request Date, if any, occurred on or prior to the date described in paragraph (a)(i) above.

"**PSN Effective Date**" means the date on which an effective Calculation Agent Physical Settlement Notice or Calculation Agent Physical Settlement Amendment Notice, as the case may be, is delivered to the Issuer.

"**Public Source**" means each source of Publicly Available Information specified as such in the applicable Final Terms (or if a source is not 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 (A) a 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 (ii) or (c) 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 (ii) 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;

(d) 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 (a) and (b) of the definition of Repudiation/Moratorium below.

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

"**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 Final Terms; or

(B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the 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 Participation Seller**" means any participation seller that meets the requirements specified in the applicable Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

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

"**Quotation**" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

"**Quotation Amount**" means the amount specified as such in the applicable Final Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is specified in the applicable Final Terms, the Aggregate Nominal Amount (or its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

"**Quotation Dealer**" means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained including each Quotation Dealer specified in the applicable Final Terms. If no Quotation Dealers are specified in the applicable Final Terms, the Calculation Agent shall select the Quotation Dealers in its sole and absolute discretion. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

"**Quotation Method**" means the applicable Quotation Method specified in the applicable Final Terms by reference to one of the following terms:

(a) "**Bid**" means that only bid quotations shall be requested from Quotation Dealers;

(b) "**Offer**" means that only offer quotations shall be requested from Quotation Dealers; or

(c) "**Mid-market**" means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for the purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply.

"**Reference Entity**" means the entity or entities specified as such in the applicable Final Terms. Any Successor to a Reference Entity either (a) identified pursuant to the definition of "Successor" in Credit Linked Condition 1 on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the purposes of the relevant Series.

"**Reference Entity Notional Amount**", in respect of a Reference Entity, means the amount specified as such in the applicable Final Terms (or, if no such amount is so specified, the Aggregate Nominal Amount of the Notes as of the Issue Date divided by the number of Reference Entities), subject to adjustment upon the occurrence of a Succession Event and as provided in these Credit Linked Conditions.

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

(a) "Standard Reference Obligation" is specified as not applicable in the 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 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 Only Notes**" means any Notes in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and the Deliverable Obligation Category in the applicable Final Terms and (b) "Standard Reference Obligation" is specified as not applicable in the Final Terms.

"**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 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 Termination Notice Date of the Notes and (c) otherwise having such other characteristics as the Calculation Agent may in its sole discretion 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 City Business Day**" has the meaning set out in the DC Rules.

"**Relevant Guarantee**" means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the 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 Physical Settlement Notice or Physical Settlement Amendment Notice, as applicable.

"**Relevant Obligations**" means the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

(a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;

(b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (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 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 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".

"**Relevant Time**" means 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 Physical Settlement Matrix) Tokyo time).

"**Replaced Deliverable Obligation Outstanding Amount**" has the meaning given to that term in Credit Linked Condition 5.

"**Replacement Deliverable Obligation**" has the meaning given to that term in Credit Linked Condition 5.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

"**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; or

(ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and

(b) 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 Scheduled Maturity 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 Notice Date unless the Repudiation/Moratorium Extension Condition is satisfied.

"**Repudiation/Moratorium Extension Condition**" will be satisfied:

(a) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen (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 (i) the Scheduled Maturity Date or relevant Interest Payment Date (determined by reference to the Relevant Time) or, (ii) if Credit Linked Condition 9(y) (*Maturity Date/Interest Payment Date Extension*) applies, the Postponed Maturity Date (determined by reference to the Relevant Time); or

(b) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen (14) 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 (determined by reference to the Relevant Time).

"**Repudiation/Moratorium Extension Notice**" means a 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. 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 DC Rules, and "Resolved" and "Resolves" shall be interpreted accordingly.

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

"**Restructuring**" means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation (including, in each case, in respect of Bonds only, and, by way of exchange) to bind all the 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 (i) the Credit Event Backstop Date applicable to a Series and (ii) the date as of which such Obligation is issued or incurred:

(a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);

(b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

(c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;

(d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or

(e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

(i) 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;

(ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

(iii) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) 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 (a) to (e) 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 (e) 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 the purposes of the definition of Restructuring and Credit Linked Condition 14 (*Provisions relating to Multiple Holder Obligation*), the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in the initial paragraph and sub-paragraphs (a) to (e) above of the definition of Restructuring and in the definition of Subordination shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraphs (i) to (iv) 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 (a) to (e) has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

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

"**Restructuring Maturity Limitation Date**" means with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the 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. For these purposes, the final maturity date shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

"**Revised Currency Rate**" means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Principal Balance or Due and Payable Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent in a commercially reasonable manner.

"**Scheduled Termination Notice Date**" means the day falling two Business Days immediately preceding the Scheduled Maturity Date or Scheduled Exercise Date as applicable.

"**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 "Senior Level".

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

"**Settlement Currency**" means the currency specified as such in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the Notes.

"**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.

"**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.

"**Specified Number**" means the number of Public Source(s) specified in the applicable Final Terms, or if no number is specified in the applicable Final Terms, two.

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

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

"**Standard Specified Currency**" means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro

and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

"**Steps Plan**" means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

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

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

(a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.

(b) If any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii)). If the event set forth in paragraph (b)(i) of the definition of Substitution Event below has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event below occur with respect to such Non-Standard Reference Obligation.

(c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:

(i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);

(ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and

(iii) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:

(A) 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,

(B) 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;

(C) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:

(1) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

(2) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,

(3) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,

(4) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or

(iv) 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:

(A) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,

(B) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,

(C) 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,

(D) 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), 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 Holders in accordance with Note Condition 13 of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) 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) and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b), 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.

"**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 US$ 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) 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) 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:

(a) Subject to paragraph (b) below, the entity or entities, if any, determined as set forth below:

(i) Subject to paragraph (vii) if one entity directly or indirectly succeeds as a provider of a Relevant Guarantee to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity that entity will be the sole Successor;

(ii) if only one entity directly succeeds as a provider of a Relevant Guarantee to more than twenty-five per cent. (but less than seventy-five per cent.) of the Relevant Obligations of the Reference Entity and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor;

(iii) if more than one entity each directly succeed as a provider of a Relevant Guarantee to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;

(iv) if one or more entity each directly succeed as a provider of a Relevant Guarantee to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;

(v) if one or more entities directly succeed as a provider of a Relevant Guarantee to a portion of the Relevant Obligations of the Reference Entity but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession; and

(vi) if one or more entities directly or indirectly succeed as a provider of a Relevant Guarantee to a portion of the Relevant Obligations of the Reference Entity but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (or, 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 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 January 1, 2014;

(ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and

(iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a), 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 Paying Agent. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a), if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

Where pursuant to paragraph (a)(iv) 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 Credit Linked Notes under the provisions of the 2014 ISDA Credit Derivatives Definitions.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Holders in accordance with Note Condition 13 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.

Notwithstanding the provisions above and sub-paragraph (b) of the definition of Reference Entity, where one or more Reference Entities (each an "**Affected Reference Entity**") and/or the Issuer would, but for this provision, be identified as a Successor to another Reference Entity pursuant to the above provisions and at least one other entity which is not a Reference Entity or the Issuer is also identified as a Successor for the purposes of any succession, each Affected Reference Entity and/or

the Issuer, as applicable, shall not be regarded as a "Successor" for the purposes of the Notes. Where pursuant to the provisions above or sub-paragraph (b) of the definition of Reference Entity one or more Reference Entities (each an "**Affected Reference Entity**") and/or the Issuer would, but for this provision, be identified as a Successor to another Reference Entity pursuant to the above provisions but no other entities (that are not Reference Entities or the Issuer) are identified as a Successor in respect of the relevant succession, each Affected Reference Entity and/or the Issuer, as applicable, shall not be regarded as a "Successor" for the purposes of the Notes and, in respect of each Affected Reference Entity or the Issuer, as applicable, the Calculation Agent shall use reasonable endeavours to (a) select an Alternative Reference Entity to be the Successor in respect of the relevant succession and (b) select an Alternative Reference Obligation to be the Reference Obligation in respect of such Alternative Reference Entity after the relevant succession and the Calculation Agent may make such adjustments to the Note Conditions and/or the applicable Final Terms as it determines to be necessary or desirable to reflect such Alternative Reference Entity and Alternative Reference Obligation. If the Calculation Agent is unable to select an Alternative Reference Entity or an Alternative Reference Obligation, then: (i) no Successor shall be appointed; (ii) the Affected Reference Entity to which the relevant succession relates shall be deemed to have ceased to be a Reference Entity; (iii) that portion of any interest payable which is referable to the purchase of credit protection purchased by the Issuer under the Notes in respect of the Affected Reference Entity shall be reduced accordingly as determined by the Calculation Agent in its sole and absolute discretion; and (iv) the Calculation Agent may make such adjustments to the Note Conditions and/or the applicable Final Terms to account for the Successor Associated Costs, which may include, without limitation, reducing the Final Redemption Amount, Credit Event Redemption Amount or the Entitlement (as the case may be) by an amount equal to the Successor Associated Costs, in each case with effect from the date determined by the Calculation Agent to be the relevant Succession Date.

Where:

"**Alternative Reference Entity**" means an entity which satisfies both the Industry Requirement (other than in the case of a Sovereign) and the Spread Requirement as determined by the Calculation Agent in its sole and absolute discretion;

"**Alternative Reference Obligation**" means any obligation of the Alternative Reference Entity selected by the Calculation Agent in its sole and absolute discretion which, as far as practicable, in the determination of the Calculation Agent is substantially similar in economic terms to the relevant Reference Obligation of the Reference Entity for which a Successor falls to be determined pursuant to this definition of "Successor". An Alternative Reference Obligation may or may not be the applicable Standard Reference Obligation for the Alternative Reference Entity;

"**Industry Requirement**" means an entity that is in the same industry group as the Reference Entity for which a Successor falls to be determined pursuant to this definition of "Successor", as determined by the Calculation Agent in its sole and absolute discretion by reference to such source(s) as it determines appropriate, including any international market data sources such as, but not limited to, credit rating agencies;

"**Spread**" means the bid-side quotation obtained by the Calculation Agent from such leading dealer in the credit default swap market selected by the Calculation Agent in its sole and absolute discretion for a credit default swap in respect of the relevant entity with a credit protection period commencing on the date determined by the Calculation Agent to be the date of the relevant Succession Date and ending on the Maturity Date and with the Reference Obligation(s) specified in the applicable Final Terms or Alternative Reference Obligation(s), as applicable;

"**Spread Requirement**" means an entity that, as at the date of selection, has a Spread not greater than the Spread of the Reference Entity for which a Successor falls to be determined pursuant to this

definition of "Successor", immediately prior to the relevant Succession Date as determined by the Calculation Agent in its sole and absolute discretion;

"**Successor Associated Costs**" means an amount per nominal amount of the Notes (which may not be less than zero) equal to such Notes' *pro rata* share of the total amount of any and all costs and losses associated with or incurred by the Issuer and/or any Affiliate in connection with the Affected Reference Entity ceasing to be a Reference Entity, including, without limitation, any costs and losses associated with or incurred by the Issuer and/or any Affiliate in connection with unwinding, substituting, re-establishing and/or incurring any funding relating to the Notes and/or any hedge positions (including without limitation, any derivative transaction) relating to the Notes, and any related costs due to costs or losses being incurred prior to the maturity or settlement of the Notes, all as determined by the Calculation Agent in its sole discretion.

"**Successor Backstop Date**" means for purposes of any Successor determination determined by DC Resolution, the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"**Successor Notice**" means an irrevocable notice from the Calculation Agent to the Issuer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined.

A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to paragraph (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.

"**Trade Date**" means the date specified as such in the applicable Final Terms.

"**Transaction Auction Settlement Terms**" means the Credit Derivatives Auction Settlement Terms selected by the Calculation Agent in accordance with this provision. In relation to a Credit Event (and as set out in the definition of Credit Derivatives Auction Settlement Terms), ISDA may publish one or more form(s) of Credit Derivatives Auction Settlement Terms on its website at www.isda.org (or any successor website thereto) and may amend such forms from time to time. Each such form of Credit Derivatives Auction Settlement Terms shall set out, *inter alia*, definitions of "Auction", "Auction Cancellation Date", "Auction Covered Transaction" and "Auction Final Price Determination Date" in relation to the relevant Credit Event. The Transaction Auction Settlement Terms for purposes of the Credit Linked Notes shall be the relevant form of Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms). The Reference Transaction (as set out in the definition thereof) is a hypothetical credit derivative transaction included in these Credit Linked Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Credit Linked Notes.

"**Undeliverable Obligation**" means a Deliverable Obligation included in the Entitlement which, on the Credit Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order, contractual restrictions, statutory restrictions or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans or non-delivery of an Asset Transfer Notice or any relevant information by a holder) it is impossible or illegal to Deliver on the Credit Settlement Date.

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

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

"**Unwind Costs**" means 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 aggregate sum of (without duplication) all costs (including loss of funding), fees, charges, expenses, tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption or credit settlement of the Credit Linked Notes and the related termination, settlement or re-establishment of any Hedging Arrangements.

"**Valuation Date**" means if "Single Valuation Date" is specified in the applicable Final Terms and subject to Credit Linked Condition 9 (*Maturity Date/Interest Payment Date*), the date that is the number of Business Days specified in the applicable Final Terms (or, if the number of Business Days is not so specified, five Business Days) following the Credit Event Determination Date (or if the Credit Event Determination Date occurs pursuant to paragraph (a)(ii) of the definition of Credit Event Determination Date above or paragraph (b)(i) of the definition of Non-Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs) (or, if Cash Settlement is applicable pursuant to the Fallback Settlement Method, the date that is the number of Business Days specified in the applicable Final Terms or, if the number of Business Days is not so specified, five Business Days) following the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable), and if "Multiple Valuation Dates" is specified in the applicable Final Terms, each of the following dates:

(a) subject to Credit Linked Condition 11 (*Settlement Suspension*), the date that is the number of Business Days specified in the applicable Final Terms (or, if the number of Business Days is not specified, five Business Days) following the Credit Event Determination Date (or if the Credit Event Determination Date occurs pursuant to paragraph (a) of the definition of Credit Event Determination Date above or paragraph (b)(i) of the definition of Non-Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs) (or if Cash Settlement is the applicable Fallback Settlement Method, the date that is the number of Business Days specified in the applicable Final Terms (or, if the number of Business Days is not specified, five Business Days) following the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable); and

(b) each successive date that is the number of Business Days specified in the applicable Final Terms or, if the number of Business Days is not so specified, five Business Days after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "Multiple Valuation Dates" is specified in the applicable Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the Final Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the Final Terms, Single Valuation Date shall apply.

"**Valuation Method**":

(a) The following Valuation Methods may be specified in the applicable Final Terms with only one Valuation Date:

(i) "**Market**" means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or

(ii) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

(b) If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Highest.

(c) The following Valuation Methods may be specified in the applicable Final Terms with more than one Valuation Date:

(i) "**Average Market**" means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or

(ii) "**Highest**" means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or

(iii) "**Average Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

(d) If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Highest.

Notwithstanding paragraphs (a) to (d), if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Calculation Agent may at its option determine that the Valuation Method shall be Market or Average Market, as the case may be.

Where applicable, the applicable Final Terms may specify an alternative Valuation Method which shall be applicable in respect of the relevant Credit Linked Notes.

"**Valuation Time**" means the time specified as such in the applicable Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference 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.

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

2. Redemption or Exercise of Credit Linked Notes

(a) Unless previously redeemed or purchased and cancelled and provided that a Credit Event Determination Date has not occurred in respect of any Reference Entity, the Issuer shall redeem each nominal amount or unit of Credit Linked Notes equal to the Calculation Amount on the Maturity Date by payment of the Final Redemption Amount. If a Credit Event Determination Date has occurred in respect of any Reference Entity, the Issuer shall redeem each nominal amount or unit of Credit Linked Notes equal to the Calculation Amount as described below. For the avoidance of doubt, references in these Credit Linked Conditions to a Credit Linked Note or Note are to a nominal amount of Credit Linked Notes equal to the Calculation Amount. Any payment of a "pro rata" amount in respect of a Note will be determined by reference to its nominal amount relative to the then aggregate nominal amount of Notes.

(b) If a Credit Event Determination Date has occurred in relation to the Reference Entity, then the Notes will be settled in accordance with Credit Linked Condition 4, Credit Linked Condition 2 or Credit Linked Condition 3, as applicable.

(c) Where any Credit Event Redemption Amount is or would be zero then, other than for the payment of accrued interest or any other due but unpaid amounts, the Notes will be cancelled as of the Credit Event Redemption Date with no payment being due other than any final amount of accrued interest or any other due but unpaid amounts. The Issuer will have no further obligations in respect of the Credit Linked Notes.

(d) If any purchase and cancellation of Notes occurs under Note Conditions6.11 and 6.12, the Calculation Agent will make such adjustments to the applicable Final Terms and/or these Credit Linked Conditions as it determines appropriate (including Reference Entity Notional Amounts) to ensure the Notes continue to reflect economic intentions.

3. Auction Settlement

Where Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice an "**Auction Settlement Notice**") to the Holders in accordance with Note Condition 13 and, subject to these Credit Linked Conditions, in particular Credit Linked Condition 13, redeem or cancel, as applicable, all but not some only of the Notes, each nominal amount or unit of Credit Linked Notes equal to the Calculation Amount set out in the applicable Final Terms being redeemed by the Issuer at the Credit Event Redemption Amount in the relevant Specified Currency on the Credit Event Redemption Date.

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 paragraphs (b) or (c)(ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option), (c) a DC Credit Event Question Dismissal occurs, (d) a Credit Event Determination Date was determined pursuant to paragraph (a) of the definition of Credit Event Determination Date or paragraph (a) of the definition of Non-Standard Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date, then:

(i) if Fallback Settlement Method – Cash Settlement is specified as applicable in the applicable Final Terms, the Issuer shall redeem or cancel, as applicable, the Notes in accordance with Credit Linked Condition 4 below; or

(ii) if Fallback Settlement Method – Physical Delivery is specified as applicable in the applicable Final Terms, the Issuer shall redeem or cancel, as applicable, the Notes in accordance with Credit Linked Condition 5 below.

If a Credit Event Determination Date has occurred and the Notes become redeemable or are cancelled in accordance with this Credit Linked Condition 3, upon payment of the Credit Event Redemption Amounts in respect of the Notes, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a Credit Linked Note. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer.

4. Cash Settlement

If a Credit Event Determination Date has occurred, then where Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms or if Credit Linked Condition 3(i) above applies, the Issuer shall give notice (such notice a "**Cash Settlement Notice**") to the Holders in accordance with Note Condition13 and redeem or cancel, as applicable, subject to these Credit Linked Conditions, in particular Credit Linked Condition 1, all but not some only of the Notes, each nominal amount of Credit Linked Notes equal to the Calculation Amount set out in the applicable Final Terms being redeemed by the Issuer at the Credit Event Redemption Amount in the relevant Specified Currency on the Credit Event Redemption Date.

If a Credit Event Determination Date has occurred and the Notes become redeemable or are cancelled in accordance with this Credit Linked Condition* 4*, upon payment of the Credit Event Redemption Amount in respect of the Notes, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a Credit Linked Note. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer.

5. Physical Settlement

If a Credit Event Determination Date has occurred, then where Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms or if Credit Linked Condition 3(ii) above applies, then, subject to any prior redemption in accordance with Credit Linked Condition 20 (*Early redemption or exercise of Reference Obligation Only Notes following a Substitution Event*) the Issuer shall, following the receipt of a Calculation Agent Physical Settlement Notice, give notice (such notice a "**Physical Settlement Notice**") to the Holders in accordance with Note Condition 13 and redeem or cancel, as applicable, subject to these Credit Linked Conditions all but not some only of the Notes, each nominal amount or unit of Credit Linked Notes equal to the Calculation Amount being redeemed by the Issuer by the Delivery of the Deliverable Obligations comprising the Entitlement on the Credit Settlement Date, subject to and in accordance with the Note Conditions and these Credit Linked Conditions. The relevant Asset Package, if applicable, will be deemed to be a Deliverable Obligation and the composition of the Asset Package and the Entitlement in respect of each nominal amount or unit of Credit Linked Notes equal to the Calculation Amount will be determined by reference to the relevant Prior Deliverable Obligation or Package Observable Bond specified in the relevant Physical Settlement Notice or Physical Settlement Amendment Notice, as applicable. Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event. Notwithstanding the foregoing, if (i) "Sovereign No Asset Package Delivery" is specified as

applicable in the applicable Final Terms or, (ii) "Sovereign No Asset Package Delivery" is specified as "See Physical Settlement Matrix" in the applicable Final Terms and the relevant ISDA Physical Settlement Matrix states that the "2014 Sovereign No Asset Package Delivery Supplement to the 2014 ISDA Credit Derivatives Definitions" is applicable, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even if such a Package Observable Bond has been published by ISDA) and accordingly, Asset Package Delivery shall not apply thereto. Where Asset Package Delivery applies, the Calculation Agent may make any adjustment in relation to provisions for physical delivery and determination of the Entitlement to take account of the relevant Asset Package.

In the Physical Settlement Notice, the Issuer shall specify the Deliverable Obligations comprising the Entitlement that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Entitlement, irrespective of their market value.

The Issuer may, from time to time, amend a Physical Settlement Notice by delivering a notice to Holders in accordance with Note Condition 13 (each such notification, a "**Physical Settlement Amendment Notice**") that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Physical Settlement Notice or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective). A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer will Deliver (each, a "**Replacement Deliverable Obligation**") and shall also specify the Outstanding Principal Balance or Due and Payable Amount (determined on the same basis as in the definition of Entitlement) of each Deliverable Obligation identified in the Physical Settlement Notice or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced or the equivalent Currency Amount of any such amount (with respect to each such Deliverable Obligation, the "**Replaced Deliverable Obligation Outstanding Amount**"). The Replacement Deliverable Obligation(s), taken together, shall have an aggregate Replaced Deliverable Obligation Outstanding Amount at least equal to the Outstanding Principal Balance(s) and/or Due and Payable Amount(s) (or the equivalent Currency Amount(s) of any such amount(s)) of the Deliverable Obligations being replaced. Each such Physical Settlement Amendment Notice must be effective on or prior to the Credit Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice). Notwithstanding the foregoing, (i) the Issuer may correct any errors or inconsistencies contained in the Physical Settlement Notice or any Physical Settlement Amendment Notice, as applicable, by notice to Holders (in accordance with Note Condition 13 prior to the relevant Delivery Date; and (ii) if Asset Package Delivery is applicable, the Issuer shall on the PSN Effective Date, or as soon as reasonably practicable thereafter (but in any case, prior to the Delivery Date), notify the Holders (in accordance with Note Condition 13) of the detailed description of the Asset Package, if any, that the Issuer will Deliver in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Physical Settlement Notice or Physical Settlement Amendment Notice, as applicable, it being understood in each case that any such notice of correction shall not constitute a Physical Settlement Amendment Notice.

If "Mod R" is 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 included in the Entitlement only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date in each case as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements.

If "Mod Mod R" is specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Entitlement only if it (i) is a

Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant for purposes of the Hedging Arrangements. For the purposes of this paragraph only and notwithstanding the foregoing, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

If a Credit Event Determination Date has occurred and the Notes become redeemable or are cancelled in accordance with this Credit Linked Condition 5***, upon Delivery of the Deliverable Obligations Deliverable and/or payment of the Partial Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Partial Cash Settlement Amount, as the case may be, may be less than the Calculation Amount of a Credit Linked Note. Any shortfall shall be borne by the Holders and no liability shall attach to the Issuer***.

6. Repudiation/Moratorium Extension

Where Repudiation/Moratorium is specified as a Credit Event in the applicable Final Terms, the provisions of this Credit Linked Condition 6 shall apply.

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Termination Notice Date or any Interest Payment Date (determined by reference to the Relevant Time) but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Termination Notice Date or any Interest Payment Date or, if Credit Linked Condition 9(y) applies, the Postponed Maturity Date or Postponed Interest Payment Date (as defined in Credit Linked Condition 9 below) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Termination Notice Date or relevant Interest Payment Date then the Calculation Agent shall notify the Holders in accordance with Note Condition 13 that a Potential Repudiation/Moratorium has occurred and the maturity of the Notes and/or relevant interest payment will be delayed and:

(i) In relation to such event as of the Scheduled Termination Notice Date,

(A) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:

I. each nominal amount or unit of Credit Linked Notes equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the second Business Day following the Repudiation/Moratorium Evaluation Date or, if later, the Postponed Maturity Date; and

II. in the case of interest bearing Notes, the Issuer shall be obliged to pay interest if any calculated as provided in Note Condition 4, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date, but, shall only be obliged to make such payments of interest on the second Business Day following the Repudiation/Moratorium Evaluation Date or, if later, the Postponed Maturity Date and no further or other amounts in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(B) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 2 Credit Linked Condition 3, Credit Linked Condition 4 or Credit Linked Condition 5, as applicable, shall apply to the Credit Linked Notes; or.

(ii) In relation to such event as of an Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (x) a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date then the relevant amount of interest shall be payable on the second Business Day following the Repudiation/Moratorium Evaluation Date or, if later, the Postponed Interest Payment Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; or (y) where a Repudiation/Moratorium had occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be adjusted accordingly and may be zero and will be payable on the second Business Day following the applicable Repudiation/Moratorium Evaluation Date or, if later, the Postponed Interest Payment Date.

7. Grace Period Extension

If "Grace Period Extension" is specified as applicable in the applicable Final Terms, the provisions of this Credit Linked Condition 7 shall apply.

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Termination Notice Date or any Interest Payment Date (determined by reference to the Relevant Time) but, in the determination of the Calculation Agent a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Termination Notice Date or relevant Interest Payment Date (determined by reference to the Relevant Time) (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date or relevant Interest Payment Date), then the Calculation Agent shall notify the Holders in accordance with Note Condition 14 that a Potential Failure to Pay has occurred and the maturity of the Notes and/or relevant interest payments will be delayed and:

(i) In relation to such event as of the Scheduled Termination Notice Date,

(A) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:

I. each nominal amount or unit of Credit Linked Note equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the second Business Day following the Grace Period Extension Date; and

II. in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided in Note Condition 4, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or if none the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but, shall only be obliged to make such payments of interest on the second Business Day following the Grace Period Extension Date and no further or other amounts in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(B) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4 or Credit Linked Condition 5, as applicable, shall apply to the Notes; or

(ii) In relation to such event as of an Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (i) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date then the relevant amount of interest shall be payable on the second Business Day following the Grace Period Extension Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; or (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be adjusted accordingly and may be zero and will be payable on the second Business Day following the applicable Grace Period Extension Date.

8. Credit Derivatives Determinations Committee Extension

If, in the determination of the Calculation Agent, a Credit Event Resolution Request Date or a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its determination on or prior to the Scheduled Termination Notice Date or any Interest Payment Date (determined by reference to the Relevant Time) then the Calculation Agent shall notify Holders in accordance with Note Condition 13 that the Maturity Date or relevant Interest Payment Date has been postponed to a date (the "**DC Determination Cut-off Date**") being the day falling: (i) if a Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, 15 Business Days following the relevant DC Credit Event Announcement or (b) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred the second Business Day following the relevant DC No Credit Event Announcement or, if later (ii) 15 Business Days following the DC Credit Event Question Dismissal, and;

(i) In the case of the Maturity Date,

(A) where a Credit Event has not occurred on or prior to the DC Determination Cut-off Date:

I. each nominal amount of Credit Linked Note equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the second Business Day following the DC Determination Cut-off Date; and

II. in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided in Note Condition 4, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or if none the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date, but, shall only be obliged to make such payments of interest on the second Business Day following the DC Determination Cut-off Date and no further or other amounts in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

(B) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 2 Credit Linked Condition 3, Credit Linked Condition 4 or Credit Linked Condition 5, as applicable, shall apply to the Notes.

(ii) In relation to such event as of an Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (x) a Credit Event has not occurred on or prior to the DC Determination Cut-off Date then the relevant amount of interest shall be payable on the second Business Day following the DC Determination Cut-off Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; or (y) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be adjusted accordingly and may be zero and will be payable on the second Business Day following the applicable DC Determination Cut-off Date.

9. Maturity Date/Interest Payment Date Extension

The following provisions of this Credit Linked Condition 9 apply to Credit Linked Notes and, for the avoidance of doubt, may be applied on more than one occasion:

Without prejudice to Credit Linked Condition 11, if:

x. On (A) the Scheduled Termination Notice Date or any Interest Payment Date, (B) if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date, (D) the last day of the Notice Delivery Period or (E) the DC Determination Cut-off Date, as the case may be, a Credit Event Determination Date has not occurred but, in the opinion of the Calculation Agent, a Credit Event or Potential Credit Event may have occurred; or

y. On the Scheduled Termination Notice Date or any Interest Payment Date, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may at its option notify the Holders in accordance with Note Condition 13 that the Maturity Date, the Scheduled Termination Notice Date, the relevant Interest Payment Date, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be, has been postponed to a date (such date the "**Postponed Maturity Date**" or, in the case of an Interest Payment Date, the "**Postponed Interest Payment Date**") specified in such notice falling 15 Business Days after the previous Scheduled Maturity Date, the relevant Interest Payment Date, the previous Repudiation/Moratorium Evaluation Date or Grace Period Extension Date or the last day of the Notice Delivery Period or the or DC Determination Cut-off Date, as the case may be, or if such day is not a Business Day the immediately succeeding Business Day and

where:

(A) in the case of Credit Linked Condition 9(x), a Credit Event Determination Date has not occurred on or prior to the Postponed Maturity Date or the relevant Postponed Interest Payment Date, or, in the case of Credit Linked Condition 9(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date or the relevant Postponed Interest Payment Date:

I. subject as provided below, in the case of a Postponed Maturity Date each Credit Linked Note will be redeemed by the Issuer by payment of the Final Redemption Amount on the second Business Day following the Postponed Maturity Date; and

II. in the case of a Postponed Maturity Date and interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or, if none the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but, in each case, shall only be obliged to make such payments of interest on the second Business Day following the Postponed Maturity Date and no further or other amounts in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

III. in the case of a Postponed Interest Payment Date, the Issuer shall be obliged to pay the relevant amount of interest on the second Business Day following the Postponed Interest Payment Date and no further or other amounts in respect of interest shall be payable as a result of such delay; or

(B) where:

I. in the case of Credit Linked Condition 9(x), a Credit Event Determination Date has occurred on or prior to the Postponed Maturity Date or relevant Postponed Interest Payment Date, the provisions of Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4 or Credit Linked Condition 5, as applicable, shall apply to the Notes; or

II. in the case of Credit Linked Condition 9(y) the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date or relevant Postponed Interest Payment Date, the provisions of Credit Linked Condition 4 shall apply to the Credit Linked Notes.

10. Partial Cash Settlement

If all or a portion of the Obligations comprising the Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations, the Issuer shall give notice (a "**Partial Cash Settlement Notice**") to the Holders in accordance with Note Condition 13 and the Issuer shall pay in respect of each Undeliverable Obligation and/or Hedge Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

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

Unless otherwise specified in the applicable Final Terms, for the purposes of this Credit Linked Condition 10 the following terms are deemed to have the following meanings and such definitions will apply notwithstanding other definitions of such terms in Credit Linked Condition 1:

"**Indicative Quotation**" means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

"**Market Value**" means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, 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 same highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly

three Full Quotations are obtained, the Full Quotations remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the applicable Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (b) of the definition of "Quotation" below, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

"**Partial Cash Settlement Amount**" is deemed to be, for each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, determined as provided in this Credit Linked Condition 10 less if applicable (C) a *pro rata* share of Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Entitlement), and (ii) zero provided that where (i) the relevant Undeliverable Obligation or Hedge Disruption Obligation forms part of the Asset Package and the Calculation Agent determines in its sole discretion that a Final Price cannot reasonably be determined in respect of such Undeliverable Obligation or Hedge Disruption Obligation, then the Partial Cash Settlement Amount will be an amount calculated by the Calculation Agent in its sole discretion equal to the fair market value of the relevant Undeliverable Obligation or Hedge Disruption Obligation less Unwind Costs.

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

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

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each

Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.

(b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

(c) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

"**Quotation Amount**" is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, an amount equal to at least the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent 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 or Hedge Disruption Obligations, as the case may be.

"**Quotation Method**" is deemed to be Bid.

"**Reference Obligation**" is deemed to be each Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

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

"**Valuation Time**" is the time specified as such in the applicable Final Terms, or, if no time is so specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligations, as the case may be.

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

11. Settlement Suspension

(a) Suspension

Without prejudice to Credit Linked Condition 9, if, following the determination of a Credit Event Determination Date but prior to the Credit Settlement Date or, to the extent applicable, a Valuation Date, there is a DC Credit Event Meeting Announcement, the Calculation Agent may at its option determine that the applicable timing requirements of this Credit Linked Condition and the definitions of Credit Event Redemption Date, Valuation Date, Physical Settlement Period, and PSN Cut-off Date and any other Credit Linked Condition as determined by the Calculation Agent in its sole discretion, shall toll and be suspended and remain suspended (such period of suspension, a "**Suspension Period**") until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, relevant timing requirements of the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary.

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

(b) Interest

In the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated in accordance with Note Condition 4 provided that:

(i) if a Suspension Period pursuant to Credit Linked Condition 11(a) above falls in any one or more Interest Period(s), then no interest shall accrue during each portion of an Interest Period during which a Suspension Period exists; and

(ii) if an Interest Payment Date falls in a Suspension Period pursuant to Credit Linked Condition 11(a) above, such Interest Payment Date will be deferred until such date as determined by the Calculation Agent falling no earlier than the first Payment Date and no later than the fifth Payment Day following the end of the Suspension Period, all subject to the provisions of Note Condition 4 and Credit Linked Conditions 6, 7 and 8.

12. Redemption following a Merger Event

If this Credit Linked Condition 12 is specified as applicable in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Holders in accordance with Note Condition 13 and redeem or cancel, as applicable, all but not some only of the Notes and pay in respect of each Note, the Merger Event Redemption Amount on the Merger Event Redemption Date in each case as specified in the applicable Final Terms.

13. Credit Event Notice after Restructuring Credit Event

If this Credit Linked Condition 13 is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in the Terms and Conditions, upon the occurrence of an M(M)R:

(i) the Calculation Agent may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring, each such Credit Event Notice setting forth an amount of the relevant

Reference Entity Notional Amount to which such Restructuring Credit Event applies (the "**Partial Redemption Amount**") that may be less than the principal amount outstanding of each Note immediately prior to the delivery of such Credit Event Notice. In such circumstances the Credit Linked Conditions and related provisions shall be deemed to apply to the Partial Redemption Amount only and each such Note shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).

(ii) For the avoidance of doubt (A) the principal amount of each such Note not so redeemed in part shall remain outstanding and interest shall accrue on the principal amount outstanding of such Note as provided in Note Condition 4 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (B) the Credit Linked Conditions and related provisions shall apply to such principal amount outstanding of such Note in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable to Holders under the relevant Series, the Calculation Agent will (i) determine such adjustment(s) to these Terms and Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Note 14 and (ii) the effective date of such adjustment(s).

(iii) If the provisions of this Credit Linked Condition 13 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 part redemption.

14. Provisions relating to Multiple Holder Obligation

If this Credit Linked Condition 14 is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (a) to (e) of the definition of "Restructuring" in Credit Linked Condition 1 shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

"**Multiple Holder Obligation**" means an Obligation that (i) at the time 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) is (A) a Bond and/or (B) and Obligation 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.

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

If this Credit Linked Condition 15 is specified as applicable in the applicable Final Terms, the following provisions will apply:

(a) Obligation and Deliverable Obligation. Paragraph (a) of the definition of "Obligation" in Credit Linked Condition 1 and paragraph (a) of the definition of "Deliverable Obligation" in Credit Linked Condition 1 are hereby amended by adding "or Qualifying Policy" after "or as provider of a Relevant Guarantee".

(b) Interpretation of Provisions. In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (i) of the definition of "Deliverable Obligation" in Credit Linked Condition 1 will apply, with references to the "Relevant Guarantee", the "Underlying

Obligation" and the "Underlying Obligor" deemed to include the "Qualifying Policy", the "Insured Note" and the "Insured Obligor", respectively, except that:

(i) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Note in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Note, and the terms "obligation" and "obligor" as used in these Credit Linked Conditions in respect of such an Insured Note shall be construed accordingly;

(ii) references in the definitions of "Assignable Loan" and "Consent Required Loan" to "the "guarantor" and "guaranteeing" shall be deemed to include "the "insurer" and "insuring", respectively;

(iii) neither the Qualifying Policy nor the Insured Note must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;

(iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Note, the Qualifying Policy must be transferable at least to the same extent as the Insured Note;

(v) with respect to an Insured Note in the form of a pass-through certificate or similar funded beneficial interest, the term "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur; and

(vi) with respect to a Qualifying Policy and an Insured Instrument, only the Qualifying Policy must satisfy on the relevant date or dates the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, if applicable.

(c) Outstanding Principal Balance. References in the definition of "Outstanding Principal Balance" in Credit Linked Condition 1 to a Guarantee, the Underlying Obligation and the Underlying Obligor shall be deemed to include a Qualifying Policy, the Insured Instrument and the Insured Obligor respectively. Any provisions of an Insured Instrument limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, shall be disregarded for the purposes of sub-paragraph (b)(ii) of the definition of "Outstanding Principal Balance" in Credit Linked Condition 1.

(d) Deliver. For the purposes of the definition of "Deliver" in Credit Linked Condition 1, "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Note and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Note and the related Qualifying Policy), and "Delivery" and "Delivered" will be construed accordingly.

(e) Provisions for Determining a Successor. The definition of "Successor" in Credit Linked Condition 1 is hereby amended by adding "or Qualifying Policy" after each occurrence of "a Relevant Guarantee". The paragraph beginning "If two of more entities…" of the definition of "Successor" in Credit Linked Condition 1 is hereby amended by adding "or provider of a Qualifying Policy" after "as guarantor or guarantors".

(f) Original Non-Standard Reference Obligation, Substitute Reference Obligation and Substitution Event. The definitions of "Original Non-Standard Reference Obligation", "Substitute Reference Obligation" and "Substitution Event" in Credit Linked Condition 1 are hereby amended by adding "or Qualifying Policy" after "a guarantee".

(g) Restructuring

(i) With respect to an Insured Note that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (a) to (e) inclusive of the definition of "Restructuring" in Credit Linked Condition 1 are hereby amended to read as follows:

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

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

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

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

(v) any change in the currency of any payment of Note Payments that are guaranteed or insured by the Qualifying Policy to any currency (other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom 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 as a whole)."

(ii) Paragraph (iii) of the definition of "Restructuring" in Credit Linked Condition 1 is hereby amended by adding "or, in the case of a Qualifying Policy and an Insured Note, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Note Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Note Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy" at the end thereof.

(iii) The definition of "Restructuring" in Credit Linked Condition 1 is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

"For purposes of the definition of "Restructuring" in Credit Linked Condition 1 and if Credit Linked Condition 14 is specified as applying in the applicable Final Terms, for the purposes of the Credit Linked Conditions the term Obligation shall be deemed to include Insured Notes for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Note, references to the Reference Entity in the definition of "Restructuring" shall be deemed to refer to the Insured Obligor and the references to the Reference Entity in paragraphs (e)(i) to (iii) inclusive in the definition of "Restructuring" shall continue to refer to the Reference Entity."

(h) Fully Transferable Obligation and Conditionally Transferable Obligation. In the event that "M(M)R Restructuring" is specified as applying in the applicable Final Terms and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Note must meet the requirements of the relevant definition. References in the definition of "Conditionally Transferable Obligation" to the "guarantor" and "guaranteeing" shall be deemed to include "the "insurer" and "insuring" respectively. With respect to an Insured Note in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in Credit Linked Condition 5 and the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

(i) Other Provisions. For purposes of paragraph (a)(ii) of the definition of "Deliverable Obligation" and the definitions of "Credit Event" and "Deliver" in Credit Linked Condition 1, references to the "Underlying Obligation" and the "Underlying Obligor" shall be deemed to include "Insured Notes" and the "Insured Obligor" respectively.

(j) Additional Definitions.

"**Qualifying Policy**" means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Note Payments of an instrument that constitutes Borrowed Money (modified as set forth in this Credit Linked Condition 15) (the "**Insured Note**"*)* for which another party (including a special purpose entity or trust) is the obligor (the "**Insured Obligor**"). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Note Payments).

"**Note Payments**" means (A) in the case of any Insured Note that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Note, the scheduled payments of principal and interest, in the case of both (A) and (B) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

"**Certificate Balance**" means, in the case of an Insured Note that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

16. Provisions taken from the ISDA supplement titled Additional Provisions for LPN Reference Entities (published on 15 September 2014)

If this Credit Linked Condition 16 is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the Credit Linked Conditions, the following provisions will apply:

(a) provisions relating to Multiple Holder Obligation will be deemed to be Not Applicable with respect to any Reference Obligation (and any Underlying Loan);

(b) each Reference Obligation will be an Obligation, notwithstanding anything to the contrary in the Credit Linked Conditions and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity;

(c) each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in the Credit Linked Conditions and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity.

For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Note, the Outstanding Principal Balance shall be determined by reference to the Underlying Loan or Underlying Finance Note (as applicable) relating to such LPN Reference Obligation.

The Not Subordinated Obligation Characteristic and Deliverable Obligation Characteristic shall be construed by reference to the Prior Reference Obligation.

(d) the definition of Reference Obligation shall be deleted and the following substituted therefor:

""**Reference Obligation**" means, as of the Trade Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, as of the Trade Date, any Additional LPN and each Additional Obligation." Each Reference Obligation determined in accordance with the foregoing will be a Reference Obligation notwithstanding anything to the contrary in the Credit Linked Conditions, and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity. Standard Reference Obligation shall be Not Applicable. The proviso in the definition of "Original Non-Standard Reference Obligation" in Credit Linked Condition 1 shall not apply.

It is intended that there may be more than one Reference Obligation, as a result of which all applicable references in the Credit Linked Conditions to "the Reference Obligation" shall be construed as a reference to "a Reference Obligation", and all other provisions of the Credit Linked Conditions shall be construed accordingly.

(e) Substitute Reference Obligation and Substitution Event shall not be applicable to LPN Reference Obligations."; and

(f) the following additional definitions shall apply:

"**Additional LPN**" means any bond issued in the form of a loan participation note (a "**LPN**") by an entity (the "**LPN Issuer**") for the sole purpose of providing funds for the LPN Issuer to (a) finance a loan to the Reference Entity (the "**Underlying Loan**") or (b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the

"**Underlying Finance Note**"), provided that (i) either (x) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity or (y) in the event that there is an Underlying Finance Note with respect to such LPN the Underlying Finance Note satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics (ii) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Credit Linked Specified Currency – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Note (as applicable) for the benefit of the holders of the LPNs.

"**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, as of the Trade Date.

"**First Ranking Interest**" means a charge, security interest (or other type of interest having similar effect) (an "**Interest**"), which is expressed as being "first ranking", "first priority", or similar ("**First Ranking**") in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any related insolvency jurisdiction of the LPN Issuer).

"**LPN Reference Obligation**" means each Reference Obligation other than any Additional Obligation.

For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation constituting a Reference Obligation.

Each LPN Reference Obligation is issued for the sole purpose of providing funds for the Issuer to finance a loan to the Reference Entity. For the purposes of the Credit Linked Conditions each such loan shall be an Underlying Loan.

17. Calculation Agent

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 pursuant to these Credit Linked Conditions and related provisions shall (in the absence of manifest error) be final and binding on the Issuer and the Holders and shall be without liability on the part of the Calculation Agent and without the Calculation Agent being obliged to consider the interests of the Issuer or the Holders. In performing its duties pursuant to these Credit Linked Conditions, 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 its discretion under these Credit Linked Conditions including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

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

purposes, Tokyo time) irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

In addition, if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, Tokyo time), irrespective of the time zone of its place of payment.

18. Amendment of Credit Linked Conditions in accordance with Market Convention

The Calculation Agent may from time to time amend any provision of these Credit Linked Conditions (i) to incorporate and/or reflect (x) further or alternative documents or protocols from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or (y) the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees and/or (ii) in any manner which the Calculation Agent determines in a commercially reasonable manner are necessary or desirable to reflect or account for market practice for credit derivative transactions and/or reflect or account for a Hedge Disruption Event. Any amendment made in accordance with this Credit Linked Condition 18 shall be notified to the Holders in accordance with Note Condition 13.

19. Physical Settlement Matrix

If Physical Settlement Matrix is specified as applicable in the Final Terms, the provisions specified as applicable and, if applicable, as amended in each case as set out below, in respect of the applicable Transaction Type(s) set out in the Credit Derivatives Physical Settlement Matrix as published by the International Swaps and Derivatives Association, Inc. on the Date of the Physical Settlement Matrix specified in the applicable Final Terms or, if no such date is specified, on the most recent date on or prior to the Issue Date of the first Tranche (the "**ISDA Physical Settlement Matrix**") shall apply and the relevant provisions of the applicable Final Terms shall be deemed to be completed on this basis and the corresponding line items in the applicable Final Terms may be deleted or reference to 'As per the Physical Settlement Matrix' may be inserted. For the avoidance of doubt, the provisions of the ISDA Physical Settlement Matrix that are not set out below and specified to be applicable shall not apply and no amendment shall be made to the applicable Final Terms in respect thereof.

Provision	**Applicable/Not Applicable**	**Amendments to ISDA Physical Settlement Matrix**
All Guarantees	Applicable	None
Credit Events	Applicable	References to "Floating Rate Payer Calculation Amount" shall be deemed to be references to "the relevant Reference Entity Notional Amount".
Obligation Category	Applicable	None
Obligation Characteristics	Applicable	None
Physical Settlement Period	Applicable	References to "Section 8.6 of the Definitions" shall be deemed to be references to "the definition of Physical Settlement Period in

Provision	**Applicable/Not Applicable**	**Amendments to ISDA Physical Settlement Matrix**
		Credit Linked Condition 1".
Deliverable Obligation Category	Applicable	None
Deliverable Obligation Characteristics	Applicable	None
Additional Provisions for Monoline Insurer Reference Entities (published on 15 September 2014)	Applicable	(a) The reference to "Additional Provisions for Monoline Insurer Reference Entities (published on 15 September 2014)" shall be deemed to be a reference to "Credit Linked Condition 15 – *Provisions taken from the ISDA supplement titled "Additional Provisions for Monoline Insurer Reference Entities (published on 15 September 2014)"* "; and (b) the reference to "the relevant Confirmation" shall be deemed to be a reference to "the applicable Final Terms".
Additional Provisions for LPN Reference Entities (15 September 2014)	Applicable	References to "Additional Provisions for LPN Reference Entities (15 September 2014)" shall be deemed to be references to Credit Linked Condition 16 (*Provisions taken from the ISDA supplement titled "Additional Provisions for LPN Reference Entities (published on 15 September 2014)"*.

20. Early redemption or exercise of Reference Obligation Only Notes following a Substitution Event

The event set out in paragraph (a) of the definition of Substitution Event above occurs with respect to the Reference Obligation, then:

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

(b) each Note will be redeemed by the Issuer at its relevant Reference Obligation Only Termination Amount specified in, or determined in the manner specified in, the applicable Final Terms in the Specified Currency on the Maturity Date, which for the purposes of this Credit Linked Condition 20 shall be the day falling five Business Days following the relevant Substitution Event Date.

21. DC Resolution Adjustment Events

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

PART B - EMERGING MARKET EARLY REDEMPTION PROVISIONS

The provisions of this Part B of Annex 7 of the Terms and Conditions will apply in addition to Part A if and to the extent so specified in the applicable Final Terms.

22. Currency Event

(a) If in the determination of the Calculation Agent a Currency Event occurs, the Issuer shall have the right to redeem or cancel all, but not some only, of the Notes, having given not less than 10 nor more than 30 days' notice to the Noteholders in accordance with Note Condition 13 at the Early Redemption Amount (for the avoidance of doubt, less Associated Costs).

Where the Notes are so redeemed or cancelled following the occurrence of a Currency Event, the Early Redemption Amount shall be payable in the Domestic Currency (at a rate determined by the Calculation Agent in a commercially reasonable manner), provided that where the relevant Noteholder is unable to receive, or the Issuer is unable to pay, the Domestic Currency and remains unable to do so for a period of 18 months from the Notice Date, no payment shall be made and the Issuer's obligation to pay the Early Redemption Amount shall be deemed to be fully satisfied and discharged.

(b) For the purposes of this Credit Linked Condition 22:

"**Domestic Currency**" means as defined in Credit Linked Condition 1 above.

"**Domestic Jurisdiction**" means the jurisdiction of the relevant Reference Entity (if the Reference Entity is a Sovereign) or the jurisdiction of organisation of the relevant Reference Entity (if the Reference entity is not a Sovereign).

"**Currency Event**" means any action, event or circumstance whatsoever which from a legal or practical perspective:

(a) has the direct or indirect effect of hindering, limiting or restricting (including, without limitation, by way of any delay, increased costs, discriminatory rates of exchange):

(i) the convertibility of Domestic Currency into Specified Currency, or

(ii) the transfer of (a) Specified Currency (i) within the Domestic Jurisdiction or (ii) from the Domestic Jurisdiction to any other country (including, without limitation, by way of any current or future restrictions on repatriation Specified Currency) or (b) Domestic Currency (i) within the Domestic Jurisdiction or (ii) to a party that is non-resident of the Domestic Jurisdiction; and/or

(b) results in the unavailability of Specified Currency in the interbank foreign exchange market located in the Domestic Jurisdiction in accordance with normal commercial practice.

"**Notice Date**" means the date on which the Issuer gives notice to the Noteholders of its intention to redeem or cancel the Notes following the occurrence of a Currency Event, as provided for in Credit Linked Condition 22(a) above.

"**Specified Currency**" means as defined in the applicable Final Terms.

23. Cross Border Disruption Events

(a) If in the determination of the Calculation Agent a Cross Border Disruption Event occurs, the Issuer shall have the right, in its sole and absolute discretion, to:

(i) redeem or cancel (as applicable) all, but not some only, of the Notes, having given not less than 10 nor more than 30 days' notice to the Noteholders in accordance with Note Condition 13 at the Early Redemption Amount (for the avoidance of doubt, less Associated Costs); or

(ii) make such commercially reasonable adjustments to the Interest Amount or Final Redemption Amount or any other necessary provisions incidental thereto, as may be necessary to account for any additional cost to, or loss incurred by, the Issuer, any Hedging Party or any Affiliates as a result of the occurrence of such Cross Border Disruption Event, as notified to the relevant Noteholders promptly following such event.

(b) For the purposes of this Credit Linked Condition 23:

"**Cross Border Disruption Event**" means the occurrence of a Reference Obligation Disruption Event or a Tax Disruption Event, as determined by the Calculation Agent in its sole and absolute discretion.

"**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 the Reference Entity or of the jurisdiction of organisation of the Reference Entity.

"**Hedging Party**" means the Issuer and/or any Affiliate and/or any other party which conducts or may conduct hedging arrangements in respect of the Issuer's obligations in respect of the Notes from time to time.

"**Reference Obligation Disruption Event**" means any event, action or circumstance whatsoever which:

(i) results in (or in the determination of the Calculation Agent is likely to result in) a corporate holder of the Reference Obligations not receiving the full value of any principal, interest or other amounts due in respect of the Reference Obligations on the date such principal, interest or other amounts are due; and/or

(ii) affects (or in the determination of the Calculation Agent is likely to affect) in any way the ability of a Hedging Party to (i) acquire, hold or redeem any of the Reference Obligations or (ii) hedge (directly or indirectly) the obligations of the Issuer in respect of the Notes (including by holding or transferring an amount of the Domestic Currency).

"**Tax Disruption Event**" means (i)(A) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) by the Reference Entity or any Governmental Authority, (B) the issuance of any order or decree by any Governmental Authority, (C) any action being taken by a taxing authority in the jurisdiction of the Reference Entity, or (D) the occurrence of any other act or event at any time relating to the withholding or deduction for or on account of tax in relation to any of the Obligations, which in the case of (A) to (D) above will (or in the Calculation Agent's opinion there is a substantial likelihood that it will) adversely affect the economic value of any of the Reference Obligations to any holder thereof; (ii) the imposition of any taxes, duties, costs or expenses on the transfer of Specified Currency within or from within to outside the jurisdiction of the Reference Entity; (iii) the imposition of any additional

taxes on any Obligations of the Reference Entity issued in the jurisdiction of the Reference Entity; or (iv) the imposition of any taxes, duties, costs or expenses on any conversion of Domestic Currency into Specified Currency.

ANNEX 8

ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED NOTES

The terms and conditions applicable to Equity Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**", or "**Conditions**") and the additional terms and conditions for Equity Linked Notes set out below (the "**Equity Linked Conditions**" and, together with the Note Conditions, the "**Base Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Base Conditions and the Equity Linked Conditions, the Equity Linked Conditions shall prevail. In the event of any inconsistency between (i) the Base Conditions and/or the Equity Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail. References in the Equity Linked Conditions to "Holder" or "Holders" and "Noteholder" or "Noteholders" shall be deemed to be references to a holder or the holders, as the case may be, of relevant Notes. Capitalised terms used but not otherwise defined in these Equity Linked Conditions shall have the meaning given to them in the Base Conditions or the applicable Final Terms, as the case may be.

1. Definitions applicable to Equity Linked Notes

"**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:

(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 price; provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level or price 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 price 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 Equity Linked Notes relate to a single Underlying Equity, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth 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 eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below; and

(ii) where the Equity Linked Notes relate to a Basket of Underlying Equities:

I. if "Affected Postponement only" is specified in the Final Terms, the Averaging Date for each Underlying Equity 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 Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Underlying Equity. If the first succeeding Valid Date in relation to such Underlying Equity has not occurred as of the Valuation Time on the eighth 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 eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Underlying Equity, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (b)(I)(ii) of the definition of "Valuation Date" below; or

II. if "Whole Basket Postponement" is specified in the Final Terms, the Averaging Date for each Underlying Equity (whether affected by the occurrence of a Disrupted Day or not) shall be the first succeeding Valid Date (as defined below) in relation to each Underlying Equity. If the first succeeding Valid Date in relation to each Underlying Equity has not occurred as of the Valuation Time on the eighth 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 eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to each Underlying Equity, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (b)(II)(ii) of the definition of "Valuation Date" below.

If nothing has been specified, "Whole Basket Postponement" shall be deemed to be applicable.

For the purposes of these Equity Linked Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur.

"**Closing Price**" means, in relation to an Underlying Equity and a Scheduled Trading Day, the official closing price of such Underlying Equity on such Scheduled Trading Day quoted on the relevant Exchange (or if, in the opinion of the Calculation Agent, no such price can be determined and, if such Scheduled Trading Day is not a Disrupted Day, an amount to be determined by the Calculation Agent in its good faith estimate).

"**De-Listing**" means, in respect of any relevant Underlying Equities, the Exchange announces that pursuant to the rules of such Exchange, such Underlying Equities 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 any member state of the European Union).

"**Direct Settlement**" means an Instrument is issued and settled by the Issuer outside Euroclear or Clearstream, Luxembourg as specified in the applicable Final Terms.

"**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.

"**Equity Issuer**" means, (i) in relation to an Underlying Equity (other than ETF Share), the issuer of such Underlying Equity; (ii) in relation to an ETF, the ETF itself.

"**Exchange**" means, in respect of an Underlying Equity, each exchange or quotation system specified as such for such Underlying Equity 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 Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means 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.

"**Final Redemption Amount**" means, in relation to an Equity Linked Redemption Note, the Final Redemption Amount specified in the applicable Final Terms, provided always that the Final Redemption Amount shall in no event be less than zero. The Final Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (a) all the Underlying Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Underlying Equities of that Equity Issuer become legally prohibited from transferring them.

"**Market Disruption Event**" means, in respect of an Underlying Equity:

(a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:

(i) 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 Underlying Equity on the Exchange; or

(B) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or

(ii) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Equities on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying Equity on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

(b) the closure on any Exchange Business Day of any relevant Exchange(s) or 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 (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (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.

"**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 Underlying Equities, any (a) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer, all such Underlying Equities outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Equities outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Underlying Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Underlying Equities immediately following such event, in each case if the Merger Date is on or before the relevant Valuation Date or Averaging Date, as the case may be, or, if the Notes are to be redeemed or settled by delivery of Underlying Equities, the Maturity Date or Settlement Date;

"**Nationalisation**" means that all the Underlying Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**Potential Adjustment Event**" means any of the following:

(a) a subdivision, consolidation or reclassification of relevant Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;

(b) a distribution, issue or dividend to existing holders of the relevant Underlying Equities of (i) such Underlying Equities or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Underlying Equities or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(c) an extraordinary dividend as determined by the Calculation Agent;

(d) a call by an Equity Issuer in respect of relevant Underlying Equities that are not fully paid;

(e) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(f) in respect of an Equity Issuer, 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 Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(g) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities.

"**Related Exchange**" means, in relation to an Underlying Equity, each exchange or quotation system specified as such in relation to such Underlying Equity 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 Underlying Equity 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 Underlying Equity 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 Underlying Equity.

"**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 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, in relation to a Valuation Date, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been that Valuation Date.

"**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% and less than 100% of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self regulatory agencies or such other information as the Calculation Agent deems relevant.

"**Underlying Equities**" and "**Underlying Equity**" mean the equity securities or equity security (including but not limited to shares and/or ETF Share) specified as such in the applicable Final Terms and related expressions shall be construed accordingly, provided that if the Index Linked Conditions are applicable, Underlying Equities shall include the reference index or indices for the purposes of "Averaging Date" and "Valuation Date".

"**Valuation Date**" means the date or, in the case of Equity Linked Interest Notes, each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

(a) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, that Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) the eighth Scheduled Trading Day shall be deemed to be that Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Closing Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Closing Price in accordance with its good faith estimate of the Closing Price as of the Valuation Time on that eighth Scheduled Trading Day; or

(b) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities:

I. where "Affected Postponement Only" is specified in the Final Terms, that Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and that Valuation Date for each Underlying Equity affected (each an "**Affected Equity**") 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 Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case (i) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Closing Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, using its good faith estimate of the value for the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions; or

II. where "Whole Basket Postponement" is specified in the Final Terms, that Valuation Date for each Underlying Equity (whether affected or unaffected) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to any Underlying Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to an Underlying Equity. In that case (i) that eighth Scheduled Trading Day shall be deemed to be that Valuation Date for each Underlying Equity, notwithstanding the fact that such day is a Disrupted Day for any Underlying Equity, and (ii) the Calculation Agent shall, where practicable, determine the Closing Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, using its good faith estimate of the value for each Underlying Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

If nothing has been specified, "Whole Basket Postponement" shall be deemed to be applicable

"**Valuation Time**" means the Valuation Time specified in the applicable Final Terms or, if no Valuation 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 Underlying Equity to be

valued. 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.

2. Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Correction of Share Prices and Adjustment to Underlying Equities in European Currencies

2.1 If Potential Adjustment Events are specified as applying in the applicable Final Terms, then following the declaration by an Equity Issuer 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, concentrative or other effect on the theoretical value of the Underlying Equities and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the relevant terms of the Base Conditions, these Equity Linked Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting, concentrative or other effect (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 Underlying Equities traded on that options exchange.

Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Note Condition 13 stating the adjustment to the relevant terms of the Base Conditions, these Equity Linked Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

2.2 If (i) De-listing, Merger Event, Nationalisation and Insolvency is specified as applying in the applicable Final Terms and/or (ii) if Tender Offer is specified as applying in the applicable Final Terms and (in the case of (i)), a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (ii)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, and/or (iii) an ETF Event in relation to an ETF occurs, the Issuer in its sole and absolute discretion may:

(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 the relevant terms of the Base Conditions, these Equity Linked Conditions and/or the applicable Final Terms, and/or remove and/or substitute the affected Underlying Equity, to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Equities; or

(ii) give notice to the Noteholders in accordance with Note Condition 13 and redeem all, but not some only, of the Notes at the Early Redemption Amount.

If the provisions of Equity Linked Condition 2.2(i) apply the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Underlying Equities traded on that options exchange.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Note Condition 13, stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

2.3 If Correction of Share Prices is specified as applying in the applicable Final Terms and the price of an Underlying Equity published on a Valuation Date, an Averaging Date or observation date, as the case may be, is subsequently corrected and the correction (the "**Corrected Share Price**") is published on the relevant Exchange prior to the Correction Cut-Off Date specified in the applicable Final Terms, then such Corrected Share Price shall be deemed to be the closing price for such Underlying Equity for that Valuation Date or Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Share Price in determining the relevant amount that is payable or deliverable.

2.4 If Adjustment to Underlying Equities in European Currencies is specified as applying in the applicable Final Terms and an Underlying Equity was quoted, listed and/or dealt on the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Underlying Equity is at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the Exchange or Related Exchange, then the Calculation Agent will adjust the Closing Price or any other variable relevant to the terms of the relevant Notes as the Calculation Agent determines appropriate to preserve the economic terms of the relevant Notes. No adjustments under this Equity Linked Condition 2.4 will affect the currency denomination of any payment obligation in respect of the Notes.

3. Additional Disruption Events

3.1 Additional Disruption Event

If Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (a) or (b) below:

(a) 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 the relevant terms of the Base Conditions, these Equity Linked Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(b) give notice to the Noteholders and redeem all, but not some only, of the Notes at the Early Redemption Amount.

Where the Notes are to be redeemed or cancelled following the occurrence of an Additional Disruption Event due to Currency Disruption, the Early Redemption Amount or the Early Cancellation Amount (as applicable) shall be payable in a currency other than the Specified Currency, as selected by the Issuer acting in a commercially reasonable manner, in an amount determined by the Calculation Agent in its sole and absolute discretion. Where no alternative currency is so selected by the Issuer, the Early Redemption Amount or the Early Cancellation Amount (as applicable) shall be payable in U.S. dollars.

Notwithstanding the above, if a Currency Disruption occurs, the Issuer may determine in its sole and absolute discretion to postpone the relevant payment or delivery obligation in respect of the Equity Linked Notes to a day on which the Currency Disruption ceases to exist.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders 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.

Notwithstanding the provisions of Note Condition 13, any notice of redemption or cancellation given as a result of an Additional Disruption Event may specify a termination date which may be the day on which the notice of redemption or cancellation is given to Euroclear and/or Clearstream,

Luxembourg and/ or DTC and/or the CMU Service, and any such notice may be deemed to be given to the Noteholders on the date on which it is given to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service.

3.2 Definitions applicable to Additional Disruption Events

"**Additional Disruption Event**" means any of Change of Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing (applicable only for Equity Linked Redemption Notes) and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

"**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 or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (i) it has become illegal to hold, acquire or dispose of any relevant Underlying Equity or any Hedge Positions or (ii) it will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

"**Currency Disruption**" means any action, event or circumstance whatsoever which, as determined by the Calculation Agent in its sole and absolute discretion, from a legal or practical perspective:

(i) has the direct or indirect effect of hindering, limiting or restricting the ability of the Issuer and/or any of its Affiliates to convert the Specified Currency into any other currency or *vice versa*, or transfer (a) an amount of Specified Currency from the Specified Jurisdiction to any other country or (b) Specified Currency within the Specified Jurisdiction or to a party that is non-resident of the Specified Jurisdiction; and/or

(ii) results in the unavailability of Specified Currency in the interbank foreign exchange market located in the Specified Jurisdiction in accordance with normal commercial practice.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Notes.

"**Hedging Disruption**" means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk (including, but not limited to, the currency risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, receive, repatriate, transfer or remit the proceeds of Hedge Positions or this Note between accounts within the jurisdiction of the Hedge Positions (the "Affected Jurisdiction") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

"**Hedging Shares**" means the number of Underlying Equities that the Calculation Agent 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 equity or other price risk (including, but not limited to, the 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), 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 Underlying Equity that is greater than the Initial Stock Loan Rate.

"**Initial Stock Loan Rate**" means, in respect of an Underlying Equity, the Initial Stock Loan Rate specified in relation to such Underlying Equity, security or commodity in the applicable Final Terms.

"**Insolvency Filing**" means that an Equity Issuer 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 judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer 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 Underlying Equity 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 an Underlying Equity, the Maximum Stock Loan Rate specified in the applicable Final Terms.

"**Specified Jurisdiction**" means as specified in the applicable Final Terms.

4. Definitions applicable only to ETFs

"**ETF**" means any fund which is an exchange traded fund as specified in the applicable Final Terms, or if not so specified, any fund which the Calculation Agent determines to be an Exchange Traded Fund.

"**ETF Share**" means a share or unit of an ETF, and references to "holder of ETF Shares" and "ETF Shareholder" shall be construed accordingly.

"**ETF Event**" means any of the following:

(i) the investment objectives and/or policies in respect of the ETF are materially changed or not complied with;

(ii) an illegality occurs or a relevant authorisation or licence is revoked in each case in respect of the ETF and/or the ETF is required by a competent authority (other than any holder of the ETF Shares) to redeem any ETF Shares;

(iii) other than where the following constitutes an Additional Disruption Event, there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any ETF Share as a result of which the amounts paid or to be paid by the Issuer in connection

with hedging arrangements relating to the Notes are materially reduced or otherwise adversely affected; and/or

(iv) other than where the following constitutes an Additional Disruption Event, any other event occurs in relation to the ETF and/or the ETF Shares which is materially prejudicial to the Issuer in connection with the issue of the Notes or any hedging arrangements relating to the Notes,

as determined by the Calculation Agent.

ISSUER

Macquarie Bank Limited
Level 6
50 Martin Place
Sydney NSW 2000
Australia

INITIAL DEALER

Macquarie Bank Limited
Level 6
50 Martin Place
Sydney NSW 2000
Australia

PRINCIPAL PAYING AGENT

Deutsche Bank AG, Hong Kong Branch
Level 52 International Commerce Centre
1 Austin Road West,
Kowloon, Hong Kong

PAYING AGENT

Deutsche Bank AG, London Branch
1 Great Winchester Street
London
EC2N 2DB

CALCULATION AGENT

Macquarie Bank Limited
Level 6
50 Martin Place
Sydney NSW 2000
Australia

NEW YORK PAYING AGENT

Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
MS NYC60-2407
New York, New York 10005

REGISTRAR

Deutsche Bank Luxembourg S.A.
2, Boulevard Konrad Adenauer
L-1115
Luxembourg

NEW YORK REGISTRAR

Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
MS NYC60-2407
New York, New York 10005

LEGAL ADVISERS TO MACQUARIE BANK LIMITED

As to English law

Allen & Overy
9th Floor
Three Exchange Square
Central
Hong

As to Australian law

Allen & Overy
Level 25
85 Castlereagh Street
Sydney NSW 2000
Australia

As to United States law

Allen & Overy LLP

As to Singapore law

Allen & Overy LLP

50 Collyer Quay,
#09-01 OUE Bayfront,
Singapore 049321

50 Collyer Quay,
#09-01 OUE Bayfront,
Singapore 049321