



**THE BANK OF NOVA SCOTIA**  
(a Canadian chartered Bank)

**U.S.\$7,500,000,000**  
**Medium Term Note Programme**  
**Due from 1 month to 99 years from the date of original issue**

Under this U.S.\$7,500,000,000 Medium Term Note Programme (the “**Programme**”), The Bank of Nova Scotia (the “**Bank**” or the “**Issuer**”) subject to compliance with all relevant laws, regulations and directives, may from time to time issue Notes under the Programme. The Bank may issue medium term notes and notes relating to a specified index or a basket of indices (“**Index Linked Notes**”), a specified equity or a basket of equities (“**Equity Linked Notes**”), a specified commodity or commodity index or a basket of commodities and/or commodity indices (“**Commodity Linked Notes**”), a specified fund or basket of funds (“**Fund Linked Notes**”) and the credit of a specified entity or entities (“**Credit Linked Notes**”, and together with the Index Linked Notes, Equity Linked Notes, Commodity Linked Notes, Fund Linked Notes and medium term notes, the “**Notes**”) or any combination of the foregoing. Notes to be issued under the Programme will comprise unsubordinated Notes which constitute deposit liabilities of the Bank. The aggregate principal amount of Notes outstanding issued under the Programme will not exceed U.S.\$7,500,000,000 or the equivalent in other currencies determined by the Calculation Agent (as defined below) if any, at the time of each issuance of Notes in other currencies.

**See the section entitled “Risk Factors” herein for a discussion of certain risks that should be considered in connection with an investment in the Notes.**

*Dealers and Arrangers for the Programme*  
**Scotiabank Europe plc**  
**The Bank of Nova Scotia, Hong Kong Branch**

Application has been made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing of, and quotation for, any Notes that may be issued pursuant to the Programme which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. In addition, at the relevant time of issue of the Notes which are agreed at or prior to the time of issue to be so listed on the SGX-ST, a separate application will be made to the SGX-ST for the listing of, and quotation for, such Notes on the SGX-ST. Such permission will be granted when the Notes have been admitted for listing on the SGX-ST. There is no guarantee that application to the SGX-ST for the listing of Notes will be given. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Prospectus. Admission to the official list of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Notes, the Issuer, its subsidiaries, its associated companies (if any), the Programme or the Notes.

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” on pages 69 to 94. The Bank may issue Notes that are Index Linked Notes, Equity Linked Notes, Commodity Linked Notes, Fund Linked Notes, Credit Linked Notes or any combination of the foregoing, which will be issued on the additional Terms and Conditions on pages 145 to 281.

**Notes that are Bail-inable Notes (as defined below) are subject to conversion in whole or in part— by means of a transaction or series of transactions and in one or more steps – into common shares of the Bank or any of its affiliates under subsection 39.2(2.3) of the *Canada Deposit Insurance Corporation Act* (the “CDIC Act”) and to variation or extinguishment in consequence, and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes. See discussion under risk factors included under “Risk Factors – Risks applicable to Bail-inable Notes” and Condition 3(b) of the “Terms and Conditions of the Notes”. The applicable Final Terms will indicate whether the Notes are Bail-inable Notes.**

Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in “Issue of Notes” below) of Notes, will be set forth in the applicable Final Terms.

The rating of certain Series of Notes to be issued under the Programme, if any, may be specified in the applicable Final Terms. Please also refer to “*Credit ratings might not reflect all risks*” in the “Risk Factors” section of this Prospectus.

The credit rating and outlook of the Issuer and the Programme referred to on pages 66 to 67 of this Prospectus are assigned by Moody’s Canada Inc. (“**Moody’s**”), Standard & Poor’s Global Ratings, acting through Standard & Poor’s Services (Canada), a business unit of The McGraw-Hill Companies (Canada) Corporation (“**S&P**”), Fitch, Inc. (“**Fitch**”) and DBRS Limited (“**DBRS**”). Each of Moody’s, S&P, Fitch and DBRS has also provided issuer ratings for the Bank as specified on pages 13 to 14 of the Bank’s Annual Information Form (as defined in the section entitled “Documents Incorporated by Reference”) incorporated by reference in this Prospectus and as set out in the “The Bank of Nova Scotia” section of this Prospectus.

The Final Terms for each series (“**Series**”) of Notes to be listed on the SGX-ST, if applicable, 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.

This Prospectus is to be read in conjunction with (i) any supplementary prospectus (a “**Supplementary Prospectus**”) to this prospectus and (ii) with all documents deemed to be incorporated herein or therein by reference (see “Documents Incorporated by Reference”) and, in relation to any Tranche or Series of Notes, should be read and constituted together with any applicable Final Terms. Any reference herein to “**Prospectus**” means this document together with the documents incorporated by reference herein and any such Supplementary Prospectus and the documents incorporated by reference therein.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealers or the Managers, and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the Bank for the information relating to any Reference Item (as defined herein) or basis of reference to which relevant Notes relate and which is contained in such Final Terms. 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 Prospectus, any Supplementary Prospectus, any information incorporated by reference herein or therein or any other information supplied in connection with the Programme or the Notes and, in respect

of each Tranche of Notes, the applicable Final Terms, in connection with the issue or sale of 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 (as defined in “Plan of Distribution”). Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Notes made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this document has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this document has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Dealers expressly do not undertake to any investor or prospective investor or purchaser to review the financial conditions 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.

Each Tranche of Bearer Notes (as defined in “Overview of the Programme — Form of Notes” below) will initially be represented by a temporary global note (each a “**Temporary Bearer Global Note**”) or a permanent global note (each a “**Permanent Bearer Global Note**”) and together with a Temporary Bearer Global Note, each a “**Bearer Global Note**”) which will be delivered on or prior to the issue date thereof to a common depository on behalf of Euroclear and/or Clearstream, Luxembourg or a depository on behalf of any other agreed clearing system as further described in the “Form of Notes” herein. Interests in Temporary Bearer Global Notes will be exchangeable for interests in Permanent Bearer Global Notes or, if so stated in the applicable Final Terms, for definitive Bearer Notes after the date falling not earlier than 40 days after the issue date upon certification as to non-U.S. beneficial ownership or for definitive Registered Notes (as defined in “Overview of the Programme — Form of Notes” below) at any time after the issue date. Interests in Permanent Bearer Global Notes will be exchangeable for definitive Bearer Notes or definitive Registered Notes as described under “Summary of Provisions Relating to the Notes while in Global Form”.

Registered Notes will be represented by Note certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholders entire holding of Registered Notes of one Series (as defined in “Issue of Notes” below). Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg or such other clearing system as may be agreed to between the Issuer, the relevant Dealer, the Fiscal Agent and the Registrar (if applicable), will be registered in the name of the nominees for Euroclear and/or Clearstream, Luxembourg (or such other clearing system as may be agreed to between the Issuer, the relevant Dealer, the Fiscal Agent and the Registrar (if applicable)), or a common nominee for both, and the relative Certificate(s) will be delivered to the appropriate depository or, as the case may be, a common depository. References in this Prospectus to “**Global Certificates**” are to Certificates issued in respect of Registered Notes which are registered in the name of nominees or a common nominee for Euroclear and/or Clearstream, Luxembourg (or such other clearing system as may be agreed to between the Issuer, the relevant Dealer, the Fiscal Agent and the Registrar (if applicable)).

This 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 Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Issuer, the Arrangers and the Dealers do not represent that this 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, unless specifically indicated to the contrary in the applicable Final Terms, 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 Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Prospectus, any Supplementary Prospectus, if any, 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 Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (the “**EEA**”) (including the United Kingdom, Italy and France), Japan, Hong Kong, Singapore and Canada, see “Plan of Distribution”. The Notes and, in certain cases, the Entitlement (as defined herein) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any State or other jurisdiction of the United States and include Notes in bearer form that are subject to U.S. tax law requirements. The Notes are only being offered and sold outside the United States to persons that are not U.S. persons within the meaning of and in reliance on Regulation S under the Securities Act (“**Regulation S**”). The Notes may not be offered, sold or delivered, directly or indirectly, within the United States, its territories or possessions or to, or for the account or benefit of U.S. persons except in accordance with Rule 903 or 904 of Regulation S and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The Notes may not be offered, sold or delivered, directly or indirectly, in Canada, or to or for the benefit of, residents of Canada in contravention of the securities laws of Canada or any province or territory thereof. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus, see “Plan of Distribution”.

Notes issued by the Issuer do not evidence or constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime.

None of this Prospectus, any Supplementary Prospectus, any information incorporated by reference herein or therein and, in respect to each Tranche of Notes, the applicable Final Terms constitutes an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes or are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Dealers that any recipient of this Prospectus, any Supplementary Prospectus or any Final Terms should subscribe for or purchase any Note. Each recipient of this Prospectus, any Supplementary Prospectus or any Final Terms shall be taken to have made its own independent investigation and appraisal of the condition (financial or otherwise), and its overall appraisal of the creditworthiness, of the Issuer and the terms of the relevant Notes including the merits and risks involved.

The Dealers have not independently verified the information contained herein. None of the Dealers makes any representation, warranty, or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information in this Prospectus or incorporated by reference herein. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Dealers that any recipient of this Prospectus, any Supplementary Prospectus, any information incorporated by reference herein or therein and in respect to each Tranche of Notes, the applicable Final Terms, should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and the applicable Final Terms and its purchase of Notes should be based upon such investigation as it deems necessary. Neither this 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. Potential investors cannot rely, and are not entitled to rely, on the Dealers in connection with their investigation of the accuracy of any information or their decision whether to purchase or invest in the Notes. None of the Dealers undertakes to advise any investor or potential investor in or purchaser of the Notes of any information coming to the attention of any of the Dealers. The Dealers accept no liability in relation to any information contained herein or incorporated by reference herein or any other information provided by the Issuer in connection with the Notes, except for any liability arising from or in respect of any applicable law or regulation.

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

The Notes may not be suitable for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of the potential investor's own circumstances. In particular, each potential investor, either on its own or with the help of its financial or other professional advisers, should consider whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement or any applicable Final Terms;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on the potential investor's overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which the potential investor's financial activities are denominated principally;
- (iv) understands thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect the potential investor's investment and its ability to bear the applicable risks.

In addition an investment in Index Linked Notes, Equity Linked Notes, Fund Linked Notes, Commodity Linked Notes, Credit Linked Notes (each as defined below) or other Reference Item Linked Notes may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including but not limited to, the risks set out in "Risks related to the structure of a particular issue of Notes" set out below.

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 considers that it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effect on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

*Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to 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 (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing, (iii) Notes can be used as repo-eligible securities, and (iv) 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.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “U.S.\$” and to “U.S. dollars” are to the currency of the United States of America, to “\$”, “Canadian Dollars” and “dollars” are to the currency of Canada, to “euro” and “€” are 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, to “Japanese yen”, “yen” and “¥” are to the currency of Japan, “SGD” is to Singapore dollars and references to “Sterling” and “£” are to the currency of the United Kingdom.

**IMPORTANT – 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 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes 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.

In this Prospectus, references to the “European Economic Area” or “EEA” are to the Member States of the European Union together with Iceland, Norway and Liechtenstein.

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

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and as of the date of this Prospectus shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (1) the Bank's Annual Information Form dated November 27, 2018 for the year ended October 31, 2018 excluding all information incorporated therein by reference;
- (2) the Bank's audited consolidated financial statements as at October 31, 2018 and October 31, 2017 and for each of the years in the three-year period ended October 31, 2018, prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board, together with the auditors' report thereon and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended October 31, 2018, all as set out on pages 16 to 239 of the Bank's Annual Report for the year ended October 31, 2018, and the Report of Independent Registered Public Accounting Firm on the Bank's internal control over financial reporting as of October 31, 2018;
- (3) the annual report on Form 40-F (the "**Report on Form 40-F**") filed with the United States Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act 1934 (the "**Exchange Act**"), in respect of the Bank's fiscal year ended 31 October 2018; and
- (4) the section entitled "Terms and Conditions of the Notes" set out in the Issuer's base prospectuses (where applicable) dated November 29, 2018, February 1, 2017, January 8, 2016, April 1, 2015 and January 21, 2014.

For the avoidance of doubt, the applicable Final Terms for a Tranche of Notes will indicate the Terms and Conditions applicable to such Tranche of Notes and, unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Notes issued after the date hereof shall be those set out in this Prospectus. Information, documents or statements expressed to be incorporated by reference into or form part of the documents noted above shall not form part of this Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Any audited annual financial statements and interim financial statements published thereafter by the Issuer (as at the date of this Prospectus) shall be deemed to be incorporated in, and to form part of, this Prospectus, save that any statement contained in this Prospectus or in any of the documents incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Copies of this Prospectus and the documents incorporated by reference in this Prospectus can be obtained on written request and without charge from (i) the principal executive offices of the Bank from the Executive Vice-President and General Counsel, The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, Canada, Telephone: +1 (416) 866-3672 and (ii) from the offices of the Principal Paying Agent, Registrar, Calculation Agent and Transfer Agent, The Bank of Nova Scotia, London Branch, 201 Bishopsgate, 6th Floor, London EC2M 3NS, United Kingdom; Telephone: +44 (0)20 7638 5644.

## ISSUE OF NOTES

Notes issued by the Issuer will be issued on a continuous basis in series (each a “**Series**”) having one or more issue dates. All Notes of the same Series shall have identical terms (or identical other than in respect of the issue date, the issue price and the date of the first payment of interest and the date from which interest starts to accrue), it being intended that each Note of a Series will be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on different issue dates and at different issue prices. The specific terms of each Tranche will be set forth in the applicable final terms to this Prospectus (each “**Final Terms**”). The Final Terms relating to each Tranche of Notes will be in, or substantially in, the form attached to this Prospectus.



## **SUPPLEMENTARY PROSPECTUSES**

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus (as amended and supplemented by any prior Supplementary Prospectus) which is capable of affecting the assessment of any Notes, prepare or procure the preparation of a Supplementary Prospectus which shall amend and/or supplement this Prospectus (as amended and supplemented from time to time) or publish a new Prospectus for use in connection with any subsequent issue of Notes.

## OVERVIEW OF THE PROGRAMME

*THE FOLLOWING OVERVIEW DOES NOT PURPORT TO BE COMPLETE AND IS TAKEN FROM, AND IS QUALIFIED IN ITS ENTIRETY BY, THE REMAINDER OF THIS 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 MAY AGREE THAT NOTES SHALL BE ISSUED IN A FORM OTHER THAN THAT CONTEMPLATED IN THE TERMS AND CONDITIONS, IN WHICH EVENT, IF APPROPRIATE, A SUPPLEMENT TO THE PROSPECTUS OR A NEW PROSPECTUS WILL BE PUBLISHED.*

*Words and expressions defined in “Terms and Conditions of the Notes” below shall have the same meanings in this summary.*

<b>Issuer:</b>	The Bank of Nova Scotia (the “ <b>Bank</b> ”)
<b>Issuer Legal Entity Identifier (LEI):</b>	L319Z92KF9XZ61BMYR72
<b>Description:</b>	Medium Term Note Programme (the “ <b>Programme</b> ”)
<b>Arrangers:</b>	Scotiabank Europe plc The Bank of Nova Scotia, Hong Kong Branch
<b>Dealers:</b>	Scotiabank Europe plc The Bank of Nova Scotia, Hong Kong Branch
<b>Fiscal Agent And Principal Paying Agent, Registrar and Transfer Agent, Calculation Agent:</b>	The Bank of Nova Scotia, London Branch
<b>Paying Agent and Transfer Agent:</b>	The Bank of Nova Scotia, Global Wholesale Operations
<b>Paying Agent:</b>	The Bank of Nova Scotia, Singapore Branch
<b>Size:</b>	Up to U.S.\$7,500,000,000 (or its equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
<b>Risk Factors:</b>	<p>There are certain factors which may affect the Issuer’s ability to fulfill its obligations under the Notes. Economic changes, movement of the Canadian dollar, inflation and Bank of Canada monetary policy decisions, competition, changes in law, legal proceedings, failure to obtain accurate and complete information from customers and counterparties may impact the Bank’s earnings, reputation and business.</p> <p>Accounting policies and methods chosen by management could affect the Bank’s reported financial condition. Operational and infrastructure risks may lead to financial and reputational loss.</p> <p>There are certain factors which are material for the purpose of assessing the risks associated with investing in any issue of Notes. Notes may be subject to optional or early redemption by the Issuer. Notes will be subject to Canadian bank resolution powers, including in the case of Bail-inable Notes (as defined below) conversion in whole or in part by means of a transaction or series of transactions and in one or more steps into common shares of the</p>

Bank or any of its affiliates under the Bail-in Regime (as defined below). Fixed Rate Notes are subject to interest rate risk. The secondary market price of the Notes may be less than the Issue Price immediately after issue. Reference Item Linked Notes, Dual Currency Notes, Index Linked Notes, Equity Linked Notes, Commodity Linked Notes, Fund Linked Notes, Credit Linked Notes, Partly Paid Notes, Variable Rate Notes, Inverse Floating Rate Notes, Fixed/Floating Rate Notes, Notes issued at a substantial discount or premium and Notes not in physical form entail significant risks and in some circumstances the value of the Notes and/or the amount paid at maturity or on redemption may be less than the purchase price amount and may be zero in which case an investor may lose some or all of the amount it invested. The *Criminal Code* (Canada) prohibits the receipt of “interest” at an effective annual rate in excess of 60%.

There are risks relating to the Notes generally, including modifications and waivers, tax treatment, legislation affecting dividend equivalent payments, delisting of Notes, governing law of any insolvency proceedings, law and regulatory changes, European Monetary Union, general volatility in the funding markets, Eurosystem eligibility of Notes, Notes traded in integral multiples of less than SGD200,000, change or uncertainty in respect of LIBOR and/or EURIBOR or any other relevant benchmark and the return on an investment in Notes will be affected by charges incurred by investors.

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes which may impact the value of Notes, amongst other things. These risks include liquidity, exchange rates, Dealers’ interest in the Issuer and credit ratings.

See “*Risk Factors*”.

- Specified Currencies:** As agreed by the Issuer and the relevant Dealers.
- Maturities:** Notes may be issued with any maturity between one month and 99 years.
- Specified Denomination:** As specified in the applicable Final Terms, the minimum denomination of each Note will in each case comply with all applicable legal, regulatory and central bank requirements, 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).
- Method of Issue:** Syndicated or non-syndicated basis. Notes issued by the Issuer will be issued in one or more Series. Notes may be issued in Tranches on a continuous basis with no minimum issue size. Further Notes may be issued as part of an existing Series.
- Form of Notes:** Notes may be issued in bearer form only (“**Bearer Notes**”), in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”) or in registered form only (“**Registered Notes**”). See “**Form of Notes**” herein.
- Issue Price:** Notes may be issued at their principal amount or at a discount or premium to their principal amount. If so specified in the applicable Final Terms, Partly Paid Notes may be issued, the Issue Price of which will be payable in two or more instalments.
- Terms of Notes:** Notes may bear interest at a fixed or floating rate or may not bear interest as specified in the applicable Final Terms.

Notes may bear interest and/or provide that the redemption amount is calculated by reference to one or more specified underlying assets or bases of reference such as indices (including equity or commodity), equities, fund shares or units, commodities or the credit of one or more underlying entities, with the exception of shares or share equivalents of the Bank or any affiliate (as defined in the *Bank Act* (Canada)) of the Bank (each such underlying asset or basis of reference, a “**Reference Item**” and any Reference Item linked Notes, “**Reference Item Linked Notes**”); (ii) be redeemed by physical delivery (“**Physical Delivery Notes**”) of specified asset(s); (iii) reference any combination of the foregoing; and/or (iv) have such other terms and conditions as specified in the applicable Final Terms.

The Final Terms will indicate either that the relevant Notes may not be redeemed prior to their stated maturity (other than in specified instalments, (if applicable), for taxation reasons, following an Event of Default and acceleration of the Notes, or (if applicable) following an Additional Disruption Event), or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders.

If specified in the applicable Final Terms, the Bank may have the right to vary the means of settlement.

**Physical Delivery Notes:** In order to receive the relevant asset(s), a Noteholder must deliver an Asset Transfer Notice on or prior to a specified cut-off time and pay all taxes, duties and/or expenses arising from delivery. For certain Reference Item Linked Notes, if certain disruption events occur on 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.

**Fixed Interest Rate Notes:** Fixed interest will be payable in arrears on the date or dates in each year as specified in the applicable Final Terms.

**Floating Rate Notes:** Floating Rate Notes will bear interest set separately for each Series by reference to the benchmark rate specified in the applicable Final Terms, as adjusted for any applicable margin. Interest periods will be specified in the applicable Final Terms.

**Zero Coupon Notes:** Zero Coupon Notes may be issued at their principal amount or at a discount to it.

**Variable Coupon Amount Notes:** The Final Terms issued in respect of each issue of variable coupon amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to a stock index or formula or as otherwise provided in the applicable Final Terms.

**Interest Periods and Interest Rates:** The length of the interest periods and the applicable interest rate or its method of calculation may differ from time to time or be constant. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Final Terms.

**Redemption by Instalments:** The Final Terms issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed and the other terms applicable to such redemption. Bail-inable Notes will not be subject to redemption in instalments.

<b>Other Notes:</b>	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes, and any other type of Note which the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the applicable Final Terms.
<b>Optional Redemption:</b>	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders, and if so, will specify the terms applicable to such redemption; provided that, where a redemption of Bail-inable Notes by the Bank would lead to a breach of the Bank's TLAC requirements, such redemption will be subject to the prior approval of the Superintendent of Financial Institutions (Canada) (the " <b>Superintendent</b> ").
<b>Settlement:</b>	Settlement may be by payment in cash or by physical settlement (subject to satisfaction of all applicable conditions to settlement, including payment or deduction of taxes and Expenses).  Settlement Amounts and Entitlements may be adjusted for costs, losses and expenses incurred (or expected to be incurred) by or on behalf of the Issuer in connection with the redemption or cancellation of Notes. The Issuer or the Noteholder may have the option to elect for cash or physical settlement if specified in the Final Terms.
<b>Redemption of Notes:</b>	Unless otherwise redeemed in accordance with their terms or otherwise specified, Notes will be redeemed at maturity at their Final Redemption Amount, the relevant Cash Settlement Amount or by delivery of the Entitlement, as applicable. Bail-inable Notes will continue to be subject to Bail-in Conversion (as defined below) prior to their repayment in full. Such a Bail-in Conversion will not be an event of default. No definitive guidance has been provided on the interpretation of terms such as maturity, principal and interest as used in the Bail-in Regime and TLAC Guideline (as defined below), and so no certainty can be provided in this regard.
<b>Consequences of an Additional Disruption Event:</b>	The Conditions of Notes may be adjusted and/or Notes may be redeemed early at their Early Redemption Amount.
<b>Consequences of a Settlement Disruption Event:</b>	Delivery of an Entitlement may be postponed until a date that there is no Settlement Disruption Event subsisting or the Bank may elect to pay the Noteholder the Cash Disruption Settlement Price in full satisfaction of its obligations under the Notes.
<b>Negative Pledge:</b>	None.
<b>Cross-default:</b>	None.
<b>Status of Notes:</b>	Notes will constitute deposit liabilities of the Bank pursuant to the <i>Bank Act</i> (Canada), will be unsubordinated and unsecured obligations of the Bank and will rank <i>pari passu</i> with all present or future deposit liabilities of the Bank and without any preference amongst themselves (except as otherwise prescribed by law and subject to the exercise of bank resolution powers (see " <i>Canadian Bank Resolution Powers under the CDIC Act (including Bail-in Conversion)</i> " below)).  Notes that are Bail-inable Notes (as defined below) are subject to a Bail-in

Conversion (as defined below) under subsection 39.2(2.3) of the CDIC Act and to variation or extinguishment in consequence, and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes. (See “*Risk Factors – Risks applicable to Bail-inable Notes*”).

**Canadian Bank  
Resolution Powers:**

The Bank Act, the CDIC Act and certain other Canadian federal statutes pertaining to banks contain provisions setting out a bank recapitalisation or Bail-in Regime (as defined below) for domestic systemically important banks (“**D-SIBs**”), which include the Issuer.

The Canada Deposit Insurance Corporation (“**CDIC**”), Canada’s resolution authority, has the power to transfer certain assets and liabilities of a distressed bank that is subject to a resolution order under the CDIC Act to a bridge institution wholly-owned by CDIC or a third-party acquiror. Upon exercise of such power, any assets and liabilities of the distressed bank that are not transferred to the bridge institution or third-party acquiror would remain with the distressed bank, which would then be wound up. In such a scenario involving the Issuer, any liabilities of the Issuer, such as the Notes, that are not assumed by the bridge institution or third-party acquiror could receive partial or no repayment in the ensuing winding-up of the Issuer.

Under the CDIC Act, in circumstances where the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable, the Superintendent, after providing the Bank with a reasonable opportunity to make representations, is required to report this to the CDIC. Following receipt of the Superintendent’s report, CDIC may request the Minister of Finance (Canada) (the “**Minister of Finance**”), to recommend that the Governor in Council (Canada) make an order and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council (Canada) grant and on such recommendation, the Governor in Council (Canada) may grant one or more Orders (as defined below), including directing CDIC to carry out a Bail-in Conversion (as defined below) provided that prior to making such a Conversion Order (as defined below), the Governor in Council (Canada) has granted an Order vesting the shares and subordinated debt of the Bank specified in the Order in CDIC or appointing CDIC as receiver in respect of the Bank.

A Conversion Order gives CDIC the power to convert, or cause the Bank to convert, in whole or in part – by means of a transaction or series of transactions and in one or more steps – the Bank’s shares and liabilities subject to conversion under section 39.13(2.3) of the CDIC Act, including Bail-inable Notes, into common shares of the Bank of any of its affiliates (a “**Bail-in Conversion**”). The terms and conditions of the Bail-in Conversion will be determined by CDIC in accordance with and subject to certain requirements under the Bail-in Regime (See “*Risk Factors – Issuer specific factors – The common shares to be issued in connection with, and the number of common shares that will be outstanding following, a Bail-in Conversion are unknown*” below).

All Notes that (i) have an initial or amended term to maturity (including explicit or embedded options) greater than 400 days; (ii) are unsecured or partially secured; (iii) have been assigned a Committee on Uniform Security Identification Procedures (CUSIP) number, International Securities Identification Number (ISIN) or other similar designation that identifies a

specific security in order to facilitate its trading and settlement; and (iv) are not otherwise excluded (e.g. structured notes (as such term is used under the Bail-in Regime)) under the Bail-in Regime (“**Bail-inable Notes**”), will be identified as Bail-inable Notes in the applicable Final Terms.

The Conditions provide that holders of Bail-inable Notes attorn to the jurisdiction of courts in the Province of Ontario with respect to the CDIC Act and the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes. These terms are binding on each holder of Bail-inable Notes despite any other terms of the relevant Bail-inable Notes, any other law that governs such Bail-inable Notes and any other agreement, arrangement or understanding between the Issuer and such holder with respect to such Bail-inable Notes.

**Agreement with respect to the exercise of Canadian bail-in powers in relation to Bail-inable Notes:**

By purchasing Bail-inable Notes, each Noteholder (including each beneficial owner):

- (i) agrees to be bound in respect of such Bail-inable Notes by the CDIC Act, including the conversion of the Bail-inable Notes, in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Bank or any of its affiliates under subsection 39.2(2.3) of the CDIC Act and the variation or extinguishment of the Bail-inable Notes in consequence, and by the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes;
- (ii) attorns and submits to the jurisdiction of the courts in the Province of Ontario in Canada with respect to the CDIC Act and those laws; and
- (iii) acknowledges and agrees that the terms referred to in paragraphs (i) and (ii), above, are binding on such Noteholder despite any Conditions, any other law that governs the Bail-inable Notes and any other agreement, arrangement or understanding between that Noteholder and the Bank with respect to the Bail-inable Notes.

Upon the issue of a Conversion Order, CDIC will have the power to carry out a Bail-in Conversion. The terms and conditions of the Bail-in Conversion will be set by CDIC subject to the CDIC Act and related regulations.

**Events of Default for Notes that are not Bail-inable Notes:**

The terms of the Notes that are not Bail-inable Notes contain events of default covering (a) non-payment for more than 30 days (in the case of interest) or five days (in the case of principal); and (b) the Bank becoming insolvent or bankrupt or subject to the provisions of the *Winding-up and Restructuring Act* (Canada) (“**WURA**”) or the Bank going into liquidation, either voluntarily or under an order of a court of competent jurisdiction, passing a resolution for the winding-up, liquidation or dissolution of the Bank, or being ordered wound-up or otherwise acknowledging its insolvency.

**Events of Default for Bail-inable Notes:**

The terms of the Bail-inable Notes provide for events of default covering (a) non-payment for more than 30 business days of interest or principal; and (b) the Bank becoming insolvent or bankrupt or subject to the provisions of

WURA or going into liquidation, either voluntarily or under an order of a court of competent jurisdiction, passing a resolution for the winding-up, liquidation or dissolution of the Bank, or being ordered wound-up or otherwise acknowledging its insolvency; provided that Noteholders may only exercise rights to accelerate the Bail-inable Notes upon such an event where an order has not been made pursuant to subsection 39.13(1)(c) of the CDIC Act in respect of the Bank and, notwithstanding the exercise of any right to accelerate the Bail-inable Notes, Bail-inable Notes continue to be subject to a Bail-in Conversion prior to their repayment in full. A Bail-in Conversion will not be an event of default.

**Waiver of Set-Off – Bail-inable Notes:**

Bail-inable Notes are not subject to set-off or netting rights.

**Early Redemption:**

Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons as described in “*Terms and Conditions of the Notes — Redemption, Purchase and Options — Redemption for taxation reasons*”, provided that in respect of Bail-inable Notes, where such redemption would lead to a breach of the Bank’s minimum TLAC requirements, such redemption will be subject to the prior approval of the Superintendent. If so specified in the applicable Final Terms Bail-inable Notes may be redeemed at the option of the Issuer prior to maturity at any time following the occurrence of a TLAC Disqualification Event, subject if so required by the Superintendent to its prior consent, as described in “*Terms and Conditions of the Notes – Redemption, Purchase and Optional Redemption – Redemption due to TLAC Disqualification Event*”. Bail-inable Notes will continue to be subject to a Bail-in Conversion prior to their repayment in full. No definitive guidance has been provided on the interpretation of terms such as maturity, principal and interest as used in the Bail-in Regime and TLAC Guideline (as defined below), and so no certainty can be provided in this regard.

**Withholding Tax:**

All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Canada, or any province or territory thereof and of the country in which the branch of account for the Notes is located and the United Kingdom, subject to certain exceptions, all as described in “*Terms and Conditions of the Notes — Taxation*”.

**Governing Law:**

The laws of the Province of Ontario and the federal laws of Canada applicable therein.

**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.

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, in the event that a Bearer Global Note is exchanged for Notes in definitive form. In addition, in the event that a Bearer Global Note is exchanged for Notes in definitive form, announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Notes in definitive form, including details of the Paying Agent in Singapore, so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.



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

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

**Selling Restrictions:**

See “*Plan of Distribution*”.

**Protection Amount:**

In respect of a Series of Reference Item Linked Notes to which a Protection Amount is specified in the applicable Final Terms, the Final Redemption Amount or Cash Settlement Amount, as the case may be, will in no circumstances be paid at the stated Maturity Date, redemption date or settlement date (as applicable) at less than the specified percentage of the principal amount of such Note. No Protection Amount shall apply to Bail-inable Notes, or a portion of Bail-inable Notes that are subject to a Bail-inable Conversion.

**Illegality:**

In the event that the Issuer determines in good faith that the performance of the Issuer’s obligations under a Series or that any arrangements made to hedge the Issuer’s obligations under such Series has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the Issuer may, having given notice to Noteholders, redeem or cancel (as applicable) all, but not some only, of the Notes of such Series.

**Index Linked Notes:**

Amounts payable in respect of Index Linked Notes will be calculated by reference to one or more Indices. The Index may reference or comprise reference equities, bonds, property, currency exchange rates or other assets or bases of reference.

If certain disruption events occur with respect to valuation of an Index such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.

**Equity Linked Notes:**

Amounts payable in respect of Equity Linked Notes will be calculated by reference to a single equity or basket of equities. Equity Linked Notes may also provide for settlement by physical delivery of a specified amount of equities of one or more issuers, subject to payment of any sums payable.

If certain disruption events occur with respect to valuation of an Equity, such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.

**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 sums payable.

**Fund Linked Notes:**

Amounts payable in respect of Fund Linked Notes will be calculated by reference to units, interests or shares in a single Fund or basket of Funds. Fund Linked Notes may also provide for settlement by physical delivery of a specified amount of units, interests or shares of one or more Funds, subject to payment of any sums payable.

If certain disruption events occur with respect to the valuation of a Fund Share in respect of an Exchange Traded Fund, such valuation may be postponed and may be made by the Calculation Agent. Payments may also

be postponed.

**Credit Linked Notes:**

Amounts payable and/or deliverable in respect of Credit Linked Notes will be calculated by reference to the credit of a specified entity or entities.

Following the occurrence of an Event Determination Date, the Credit Linked Notes will be redeemed or cancelled, as the case may be, and the Issuer will either pay the Auction Settlement Amount or pay the Credit Event Redemption Amount or deliver the Deliverable Obligations comprising the Entitlement (as 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 under the Securities Act (“**Regulation S**”) and Registered Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S.

Each Tranche of Bearer Notes having an original maturity of more than one year will initially be represented by a Temporary Bearer Global Note and each Tranche of Bearer Notes having an original maturity of one year or less will initially be represented by a Permanent Bearer Global Note which, in each case, will be delivered on or prior to the issue date thereof to a common depository on behalf of Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system as further described in the “*Form of Notes*” herein.

No interest will be payable in respect of a Temporary Bearer Global Note except as described under “*Summary of Provisions Relating to the Notes while in Global Form*”. Interests in Temporary Bearer Global Notes will be exchangeable for interests in Permanent Bearer Global Notes or, if so stated in the applicable Final Terms, for definitive Bearer Notes after the date falling not earlier than 40 days after the issue date upon certification as to non-U.S. beneficial ownership or (in the case of Exchangeable Bearer Notes) definitive Registered Notes at any time after the issue date. Interests in Permanent Bearer Global Notes will be exchangeable for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) definitive Registered Notes, if so indicated in the applicable Final Terms, as described under “*Summary of Provisions Relating to the Notes while in Global Form*”.

Registered Notes will be represented by Note certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system will be registered in the name of the nominees for Euroclear and/or Clearstream, Luxembourg or such other agreed clearing system, or a common nominee for all such clearing systems, and the relative Certificate(s) will be delivered to the appropriate depository or, as the case may be, a common depository.

Bearer Notes will be issued in compliance with the principles of the former U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the “**TEFRA D Rules**”) unless (i) the applicable Final Terms state that the Bearer Notes are issued in compliance with the former U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the “**TEFRA C Rules**”) or (ii) the Bearer Notes are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Bearer Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the applicable Final Terms as a transfer to which TEFRA is not applicable.

Bearer Notes will be issued in compliance with subsection 240(2) of the Income Tax Act (Canada). Under that provision, where a right to interest on a debt obligation is evidenced by a coupon or other writing that does not form part of, or is capable of being detached from, the evidence of indebtedness, the coupon or other writing is to be marked or identified in prescribed manner by the letters “AX” in the case of a “taxable obligation” (as defined) or the letter “F” in the case of a “non-taxable obligation” (as defined).

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.”

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 Bearer Global Note or Global Certificate and the Bearer Global Note or, as the case may be, Global Certificate (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Bearer Global Note or, as the case may be, Global Certificate then from 8.00 p.m. (London time) on such day holders of interests in such Bearer Global Note or, as the case may be, Global Certificate credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant executed by the Issuer.

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. In such event, a supplement to this Prospectus or a new Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

The following legend will appear on Notes identified as Bail-inable Notes in the applicable Final Terms:

"THESE NOTES ARE SUBJECT TO CONVERSION IN WHOLE OR IN PART – BY MEANS OF A TRANSACTION OR SERIES OF TRANSACTIONS AND IN ONE OR MORE STEPS – INTO COMMON SHARES OF THE BANK OR ANY OF ITS AFFILIATES UNDER SUBSECTION 39.2(2.3) OF THE *CANADA DEPOSIT INSURANCE CORPORATION ACT* (“**CDIC ACT**”) AND TO VARIATION OR EXTINGUISHMENT IN CONSEQUENCE AND BY THE APPLICATION OF THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN IN RESPECT OF THE OPERATION OF THE CDIC ACT WITH RESPECT TO THESE NOTES."

## RISK FACTORS

THE ISSUER BELIEVES THAT THE FOLLOWING FACTORS MAY AFFECT ITS ABILITY TO FULFILL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME. ALL OF THESE FACTORS ARE 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. IN ADDITION, FACTORS, ALTHOUGH NOT EXHAUSTIVE, WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME ARE ALSO DESCRIBED BELOW.

THE ISSUER BELIEVES THAT THE FACTORS DESCRIBED BELOW REPRESENT THE PRINCIPAL RISKS INHERENT IN INVESTING IN NOTES ISSUED UNDER THE PROGRAMME, BUT THE INABILITY OF THE ISSUER TO PAY INTEREST, PRINCIPAL OR OTHER AMOUNTS ON OR IN CONNECTION WITH ANY NOTES MAY OCCUR FOR OTHER REASONS WHICH MAY NOT BE CONSIDERED SIGNIFICANT RISKS BY THE ISSUER BASED ON INFORMATION CURRENTLY AVAILABLE TO IT OR WHICH IT MAY NOT CURRENTLY BE ABLE TO ANTICIPATE AND THE ISSUER DOES NOT REPRESENT THAT THE STATEMENTS BELOW REGARDING THE RISKS OF HOLDING ANY NOTES ARE EXHAUSTIVE. PROSPECTIVE INVESTORS SHOULD ALSO READ THE DETAILED INFORMATION SET OUT ELSEWHERE IN THIS PROSPECTUS AND REACH THEIR OWN VIEWS PRIOR TO MAKING ANY INVESTMENT DECISION.

THE RISKS DESCRIBED BELOW ARE NOT THE ONLY RISKS THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE NOT PRESENTLY KNOWN TO THE ISSUER, OR THOSE IT CURRENTLY BELIEVES TO BE IMMATERIAL, COULD ALSO ADVERSELY AFFECT THE ISSUER'S FINANCIAL CONDITION, RESULTS AND BUSINESS.

PROSPECTIVE INVESTORS MAY WISH TO CONSIDER CONSULTING THEIR OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS ENTAILED BY AN INVESTMENT IN ANY NOTES.

AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OR SETTLEMENT OF THE NOTES MAY BE LESS THAN THE PURCHASE PRICE OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE NOTES ARE REDEEMED OR SETTLED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S) THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE PURCHASE PRICE OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. **THE INVESTOR ASSUMES THE CREDIT RISK OF THE ISSUER FOR ALL PAYMENTS UNDER THE NOTES.**

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.

**Factors that may affect the ability of the Issuer to fulfill its obligations under the Notes issued under the Programme:**

*Industry and non-company factors.*

*As a Canada-based international financial services company, the Issuer's revenues and earnings are affected by the general economic conditions in each of the countries in which the Issuer conducts business.*

Factors such as interest rates, foreign exchange rates, consumer spending, business investment, government spending, the health of the capital markets, inflation and terrorism impact the business and economic environments in which the Issuer operates and, ultimately, the amount of business the Issuer conducts in a specific geographic region.

*The movement of the Canadian dollar relative to other currencies may affect the Issuer's revenues, expenses and earnings.*

The Bank's revenues, expenses and income denominated in currencies other than the Canadian dollar are subject to fluctuations in the movement of the Canadian dollar relative to such currencies. Such fluctuations may affect the Bank's overall business and financial results.

*The Issuer's earnings are affected by the monetary policies of the Bank of Canada.*

Bond and money market expectations about inflation and central bank monetary policy decisions are beyond the Bank's control, are difficult to predict or anticipate and have an impact on the level of interest rates, fluctuation of which can have an impact on the Bank's earnings.

*The Issuer's performance can be influenced by the degree of competition in the markets in which it operates.*

The competition for customers among financial services companies in the consumer and business markets in which the Issuer operates is intense. Competition for market share is dependent upon a number of factors, including service levels, product pricing and attributes, the Issuer's reputation and actions of competitors. Competition from non-financial companies could also reduce fee revenues and adversely affect the Issuer's earnings.

*Changes in the statutes, regulations and regulatory policies that govern activities in the Issuer's various business lines could affect the Issuer's results.*

Regulations are in place to protect the financial and other interests of the Issuer's clients. Changes to statutes, regulations or regulatory policies, including changes in the interpretation, implementation or enforcement of statutes, regulations or regulatory policies, could adversely affect the Issuer by increasing the ability of competitors to compete with the products and services the Issuer provides and increasing the Issuer's cost of compliance. In addition, the Issuer's failure to comply with applicable statutes, regulations or regulatory policies could result in sanctions and financial penalties by regulatory agencies that could adversely impact the Issuer's reputation and earnings.

*Judicial or regulatory judgments and legal proceedings against the Issuer may adversely affect the Issuer's results.*

Although the Issuer takes what it believes to be reasonable measures designed to ensure compliance with governing statutes, laws, regulations and regulatory policies in the jurisdictions in which it conducts business, there is no assurance that the Issuer will always be in compliance or deemed to be in compliance. Accordingly, it is possible that the Issuer could receive a judicial or regulatory judgment or decision that results in fines, damages and other costs that would damage its reputation and have a negative impact on the Issuer's earnings. The Issuer is also subject to litigation arising in the ordinary course of its business. The adverse resolution of any litigation could have a material adverse effect on the Issuer's results or could give rise to significant reputational damage, which could impact the Issuer's future business prospects.

*Failure to obtain accurate and complete information from or on behalf of the Issuer's customers and counterparties could adversely affect the Issuer's results.*

When deciding to extend credit or enter into other transactions with customers and counterparties, the Issuer may rely on information provided to it by or on behalf of customers and counterparties, including audited financial statements and other financial information. The Issuer also may rely on

representations of customers and counterparties as to the completeness and accuracy of the information. The Issuer's financial results could be adversely impacted if the financial statements and other financial information relating to customers and counterparties on which it relies do not comply with the relevant generally accepted accounting practices or are materially misleading.

### ***Issuer specific factors***

*Management of the Bank choose certain accounting policies and methods for reporting the Bank's financial condition and results of operations. The policies and methods chosen may require management to make estimates or rely on assumptions that impact the reported results. Subsequent to reporting, such estimates and assumptions may require revision, which may materially adversely affect the Bank's results of operations and financial condition.*

From November 1, 2011, the Bank's financial condition and results of operations for interim and annual reports have been reported using accounting policies and methods prescribed by the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. For previous years, the Bank's financial condition and results of operations have been reported using accounting policies and methods prescribed by Part V of the Handbook of the Chartered Professional Accountants – Canada - Pre-Changeover Accounting Standards ("Canadian GAAP"). Effective November 1, 2017, the Bank early adopted the International Financial Reporting Standard 9 Financial Instruments ("IFRS9"), but did not restate comparative periods, as provided by IFRS9.

As detailed in the section entitled "Controls and Accounting Policies – Critical Accounting Estimates" on pages 110 to 118 of the Bank's 2018 Annual Report, which pages are contained in the section of the 2018 Annual Report incorporated herein by reference and which section is updated from time to time in the unaudited interim consolidated financial statements and management's discussion and analysis, certain accounting policies have been identified as being "critical" to the presentation of the Bank's financial condition and results of operations as they (i) require management to make particularly subjective and/or complex judgments and estimates about matters that are inherently uncertain and (ii) carry the likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates. The reporting of such materially different amounts could materially and adversely affect the Bank's results of operations or reported financial condition. These critical accounting policies and estimates relate to the determination of the Bank's allowance for credit losses, the determination of the fair value of financial instruments, the impairment of investment securities, the cost of employee benefits, the provision for corporate income taxes, whether or not structured entities should be consolidated, assessment of impairment of goodwill, the indefinite life intangible assets and other provisions made including in relation to off-balance sheet credit risk, restructuring and litigation.

*As a large organisation, the Issuer is exposed to operational risks.*

Similar to all large organisations, the Issuer is exposed to many types of operational risk, including the risk of fraud by employees or outsiders, unauthorized transactions by employees, or operational errors, including clerical or record keeping errors or errors resulting from faulty or disabled computer or telecommunications systems. Given the high volume of transactions the Issuer processes on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Shortcomings or failures in the Issuer's internal processes, people or systems, including any of the Issuer's financial, accounting or other data processing systems, could lead to, among other consequences, financial loss and reputational damage. In addition, despite the contingency plans the Issuer has in place, the Issuer's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the Issuer's businesses and the communities in which it is located. This may include a disruption involving electrical, communications, transportation or other services used by the Issuer or third parties with which the Issuer conducts business.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a supervised firm regulated by the Financial Conduct Authority (the "FCA").

### ***Risks applicable to Bail-inable Notes.***

Notes that are Bail-inable Notes are subject to conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Bank or any of its affiliates under subsection 39.2(2.3) of the CDIC Act and to variation or extinguishment in consequence, and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes.

Certain provisions of the *Bank Act* (Canada) (the “**Bank Act**”), CDIC Act and certain other federal statutes pertaining to banks, together with regulations under the CDIC Act and the Bank Act (collectively, the “**Bail-in Regime**”), provide for a bank recapitalization regime for banks designated by the Superintendent as D-SIBs, which include the Bank.

The expressed objectives of the Bail-in Regime include reducing government and taxpayer exposure in the unlikely event of a failure of a D-SIB, reducing the likelihood of such a failure by increasing market discipline and reinforcing that bank shareholders and creditors are responsible for the D-SIBs’ risks and not taxpayers and preserving financial stability by empowering the CDIC to quickly restore a failed D-SIB to viability and to allow it to remain open and operating, even where the D-SIB has experienced severe losses.

Under the CDIC Act, in circumstances where the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and viability cannot be restored or preserved by exercise of the Superintendent’s powers under the Bank Act, the Superintendent, after providing the Bank with a reasonable opportunity to make representations, is required to provide a report to CDIC. Following receipt of the Superintendent’s report, CDIC may request the Minister of Finance, to recommend that the Governor in Council (*Canada*) make an Order and, if the Minister of Finance is of the opinion that it is in the public interest to do so, the Minister of Finance may recommend that the Governor in Council (*Canada*) make, and on such recommendation, the Governor in Council (*Canada*) may grant, one or more of the following orders (each an “**Order**”):

- vesting in the CDIC, the shares and subordinated debt of the Bank specified in the Order (a “**Vesting Order**”);
- appointing CDIC as receiver in respect of the Bank (a “**Receivership Order**”);
- if a Receivership Order has been made, directing the Minister of Finance to incorporate a federal institution designated in the Order as a bridge institution wholly-owned by CDIC and specifying the date and time as of which the Bank’s deposit liabilities are assumed (a “**Bridge Bank Order**”); or
- if a Vesting Order or Receivership Order has been made, directing CDIC to carry out a conversion, by converting or causing the Bank to convert, in whole or in part – by means of a transaction or series of transactions and in one or more steps – the shares and liabilities of the Bank that are subject to a Bail-in Conversion into common shares of the Bank or any of its affiliates (a “**Conversion Order**”).

Following a Vesting Order or a Receivership Order, CDIC will assume temporary control or ownership of the Bank and will be granted broad powers under that Order, including the power to sell or dispose of all or a part of the assets of the Bank, and the power to carry out or cause the Bank to carry out a transaction or a series of transactions the purpose of which is to restructure the business of the Bank.

Under a Bridge Bank Order, CDIC has the power to transfer the Bank’s insured deposit liabilities and certain assets and other liabilities of the Bank to a bridge institution. Upon the exercise of such power, any assets and liabilities of the Bank that are not transferred to the bridge institution would remain with the Bank, which would then be wound up. In such a scenario, any liabilities of the Bank, including any



outstanding Notes (whether or not such Notes are Bail-inable Notes), that are not assumed by the bridge institution could receive only partial or no repayment in the ensuing wind-up of the Bank.

Upon the making of a Conversion Order, prescribed the shares and liabilities under the Bail-in Regime that are subject to such Conversion Order will, to the extent converted, be converted into common shares of the Bank or any of its affiliates, as determined by CDIC. Subject to certain exceptions discussed below, senior debt with an initial or amended term to maturity (including explicit or embedded options) greater than 400 days, that is unsecured or partially secured and that has been assigned a CUSIP or ISIN or similar identification number is subject to Bail-in Conversion. Shares, other than common shares, and subordinated debt securities of the Bank will also be subject to a Bail-in Conversion, unless they are non-viability contingent capital. All Notes that are subject to Bail-in Conversion will be identified as Bail-inable Notes in the applicable Final Terms.

Shares and liabilities which would otherwise be bail-inable but were issued before September 23, 2018 will not be subject to a Bail-in Conversion unless, in the case of any such liability, including any Notes, the terms of that liability are, amended to increase their principal amount or to extend their term to maturity on or after September 23, 2018, and that liability, as amended, meets the requirements to be subject to a Bail-in Conversion. Covered bonds, derivatives and certain structured notes (as such terms are used in the Bail-in Regime) are expressly excluded from a Bail-in Conversion. To the extent that any Notes constitute structured notes (as such terms are used in the Bail-in Regime) under the Bail-in Regime they will not be identified as Bail-inable Notes in the applicable Final Terms. As a result, claims of some creditors whose claims would otherwise rank equally with those of the Noteholders holding Bail-inable Notes would be excluded from a Bail-in Conversion and thus the holders and beneficial owners of Bail-inable Notes will have to absorb losses ahead of these other creditors as a result of the Bail-in Conversion. The terms and conditions of the Bail-in Conversion will be determined by CDIC in accordance with and subject to certain requirements discussed below (See “*The number of common shares to be issued in connection with, and the number of common shares that will be outstanding following, a Bail-in Conversion are unknown. It is also unknown whether the shares to be issued will be those of the Bank or one of its affiliates.*” below).

Upon a Bail-in Conversion, Noteholders holding Bail-inable Notes that are converted will be obliged to accept the common shares of the Bank or any of its affiliates into which such Bail-inable Notes, or any portion thereof, are converted even if such Noteholders do not at the time consider such common shares to be an appropriate investment for them, and despite any change in the Bank (or any of its affiliates) or the fact that such common shares may be issued by an affiliate of the Bank, or any disruption to or lack of a market for such common shares or disruption to capital markets generally. As a result, Noteholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest, if the CDIC were to take action under the Canadian bank resolution powers, including the Bail-in Regime, and that any remaining outstanding debt securities, or common shares of the Bank or any of its affiliates into which bail-inable debt securities are converted, may be of little value at the time of a Bail-in Conversion and thereafter. Such losses may not be offset by compensation, if any, received as part of the compensation process.

Notes and other debt obligations of the Bank that do not constitute Bail-inable Notes may rank equally with Bail-inable Notes on issue and in liquidation but will not be subject to a Bail-in Conversion and would, therefore, effectively rank in priority to the Bail-inable Notes, or any portion thereof, converted into common shares of the Bank or any of its affiliates upon a Bail-in Conversion.

*Bail-inable Notes will provide only limited acceleration and enforcement rights, will not be subject to set-off or netting rights and will include other provisions intended to qualify such Notes as TLAC of the Bank.*

In connection with the Bail-in Regime, the Office of the Superintendent of Financial Institutions’ (“OSFI”) guideline (the “**TLAC Guideline**”) on Total Loss Absorbing Capacity (“**TLAC**”) applies to and establishes standards for D-SIBs, including the Bank. Under the TLAC Guideline, beginning November 1, 2021, the Bank is required to maintain a minimum capacity to absorb losses composed of unsecured external long-term debt that meets the prescribed criteria or regulatory capital instruments to support

recapitalization in the event of a failure. Bail-inable Notes and regulatory capital instruments that meet the prescribed criteria will constitute TLAC for the Bank.

As provided for in the Conditions, Bail-inable Notes will include terms and conditions necessary to meet the prescribed criteria and qualify at their issuance as TLAC instruments of the Bank under the TLAC Guideline. Those criteria include the following:

- the Bank cannot directly or indirectly have provided financing to any person for the express purpose of investing in the Bail-inable Notes;
- the Bail-inable Note is not subject to set-off or netting rights;
- the Bail-inable Note must not provide rights to accelerate repayment of principal or interest payments outside of bankruptcy, insolvency, wind-up or liquidation, except that events of default relating to the non-payment of scheduled principal and/or interest payments will be permitted where they are subject to a cure period of no less than 30 business days and clearly disclose to investors that: (i) acceleration is only permitted where an Order has not been made in respect of the Bank; and (ii) notwithstanding any acceleration, the instrument continues to be subject to a Bail-in Conversion prior to its repayment;
- the Bail-inable Note may be redeemed or purchased for cancellation only at the initiative of the Bank and, where the redemption or purchase would lead to a breach of the Bank's TLAC requirements, such redemption or purchase would be subject to the prior approval of the Superintendent;
- the Bail-inable Note does not have credit-sensitive dividend or coupon features that are reset periodically based in whole or in part on the Bank's credit standing; and
- where an amendment, modification or variance of the Bail-inable Note's terms and conditions would affect its recognition as TLAC, such amendment, modification or variance will only be permitted with the prior approval of the Superintendent.

As a result, Events of Default applicable to Bail-inable Notes will be restricted and Bail-inable Notes will continue to be subject to a Bail-in Conversion after an Event of Default for so long as the Bail-inable Notes remain unpaid.

Outstanding senior debt securities of the Bank that are not Bail-inable Notes may include events of default for non-payment of principal and interest which have a cure period of less than 30-business days before acceleration rights become exercisable and may include acceleration rights which are not limited to non-payment and bankruptcy, insolvency, liquidation and winding-up. Except as provided for under the stay of proceedings provisions set out in section 39.15 of the CDIC Act, such Notes would not generally include or be expected to include an express restriction on the exercise of acceleration rights following the making of an Order. Payment of Bail-inable Notes, on the other hand, may be accelerated only (i) if the Bank defaults in the payment of the principal or interest on those Bail-inable Notes and, in each case, the default continues for a period of 30 business days, or (ii) upon the Bank's bankruptcy, insolvency, wind-up or liquidation; provided in each case that an order under subsection 39.13(1) of the CDIC Act has not been made in respect of the Bank and provided further that the Bail-inable Notes remain subject to conversion into common shares in whole or in part by means of a transaction or series of transactions and in one or more series of the Bank or any of its affiliates on a Bail-in Conversion until repaid in full.

As a result of these differing provisions, if the Bank fails to pay principal or interest when due on both Bail-inable Notes and Notes that are not Bail-inable Notes, an event of default and the ability to exercise acceleration rights may occur within a shorter time period under the Notes that are not Bail-inable Notes, subject to applicable laws, while the ability to exercise such rights under the Bail-inable Notes will not arise until after the 30-business day cure period and then may only be exercised if an order under subsection 39.13(1) of the CDIC Act has not been made in respect of the Bank. Any repayment of the

principal amount of Notes that are not Bail-inable Notes following the exercise of acceleration rights in circumstances in which such rights are not available to the holders of the Bail-inable Notes, could adversely affect the Bank's ability to make timely payments on the Bail-inable Notes thereafter. In addition, until repaid in full, the Bail-inable Notes will remain subject to conversion into common shares in whole or in part by means of a transaction or series of transactions and in one or more series of the Bank or any of its affiliates on a Bail-in Conversion.

The conditions provide that Noteholders holding Bail-inable Notes will not be entitled to exercise any set-off or netting rights. A Noteholder holding Bail-inable Notes will therefore not be entitled to exercise such rights that might otherwise have been available to such Noteholder.

The ability of Noteholders holding Bail-inable Notes to pass amendments or variances will also be limited to the extent that, where such amendment or variance would affect the recognition of Bail-inable Notes as TLAC, it will only be permitted with the prior approval of the Superintendent.

*The circumstances surrounding a Bail-in Conversion are unpredictable and can be expected to have an adverse effect on the market price of Bail-inable Notes.*

The decision as to whether the Bank has ceased, or is about to cease, to be viable is a subjective determination by the Superintendent that is outside the control of the Bank. Upon a Bail-in Conversion, the interests of depositors and holders of liabilities and securities of the Bank that are not converted will effectively all rank in priority to the portion of Bail-inable Notes that are converted. In addition, the rights of a Noteholder in respect of the Bail-inable Notes that have been converted will rank on parity with other holders of common shares of the Bank (or, as applicable, common shares of any of its affiliates whose common shares are issued on the Bail-in Conversion).

There is no limitation on the type of Order that is to be made where it has been determined that the Bank has ceased, or is about to cease, to be viable. As a result, Noteholders holding Bail-inable Notes may be exposed to losses through the use of Canadian bank resolution powers other than Bail-in Conversion or in liquidation.

Because of the uncertainty regarding when and whether an Order will be made and the type of Order that may be made, it will be difficult to predict when, if at all, Bail-inable Notes could be converted into common shares of the Bank or any of its affiliates, and there is not likely to be any advance notice of an Order. As a result of this uncertainty, trading behaviour in respect of the Bail-inable Notes may not follow trading behaviour associated with convertible or exchangeable securities or, in circumstances where the Bank is trending towards ceasing to be viable, other senior debt securities. Any indication, whether real or perceived, that the Bank is trending towards ceasing to be viable can be expected to have an adverse effect on the market price of the Bail-inable Notes, whether or not the Bank has ceased, or is about to cease, to be viable. Therefore, in such circumstances, Noteholders holding Bail-inable Notes may not be able to sell their Bail-inable Notes easily or at prices comparable to those of debt securities not subject to Bail-in Conversion.

*The number of common shares to be issued in connection with, and the number of common shares that will be outstanding following, a Bail-in Conversion are unknown. It is also unknown whether the shares to be issued will be those of the Bank or one of its affiliates.*

Under the Bail-in Regime there is no fixed and pre-determined contractual conversion ratio for the conversion of the Bail-inable Notes, or other shares or liabilities of the Bank that are subject to a Bail-in Conversion, into common shares of the Bank or any of its affiliates nor are there specific requirements regarding whether liabilities subject to a Bail-in Conversion are converted into common shares of the Bank or any of its affiliates. CDIC determines the timing of the Bail-in Conversion, the portion of bail-inable shares and liabilities to be converted and the terms and conditions of the conversion, subject to parameters set out in the Bail-in Regime. Those parameters, include that:

- in carrying out a Bail-in Conversion, CDIC must take into consideration the requirement in the Bank Act for banks to maintain adequate capital;

- CDIC must use its best efforts to ensure that shares and liabilities subject to a Bail-in Conversion are only converted after all subordinate ranking shares and liabilities that are subject to a Bail-in Conversion and any subordinate non-viability contingent capital instruments have been previously converted or are converted at the same time;
- CDIC must use its best efforts to ensure that the converted part of the liquidation entitlement of a share subject to a Bail-in Conversion, or the converted part of the principal amount and accrued and unpaid interest of a liability subject to a Bail-in Conversion, is converted on a pro rata basis for all shares or liabilities subject to a Bail-in Conversion of equal rank that are converted during the same restructuring period;
- holders of shares and liabilities that are subject to a Bail-in Conversion must receive a greater number of common shares per dollar of the converted part of the liquidation entitlement of their shares, or the converted part of the principal amount and accrued and unpaid interest of their liabilities, than holders of any subordinate shares or liabilities subject to a Bail-in Conversion that are converted during the same restructuring period or of any subordinate non-viability contingent capital that is converted during the same restructuring period;
- holders of shares or liabilities subject to a Bail-in Conversion of equal rank that are converted during the same restructuring period must receive the same number of common shares per dollar of the converted part of the liquidation entitlement of their shares or the converted part of the principal amount and accrued and unpaid interest of their liabilities; and
- holders of shares or liabilities subject to a Bail-in Conversion must receive, if any non-viability contingent capital of equal rank to the shares or liabilities is converted during the same restructuring period, a number of common shares per dollar of the converted part of the liquidation entitlement of their shares, or the converted part of the principal amount and accrued and unpaid interest of their liabilities, that is equal to the largest number of common shares received by any holder of the non-viability contingent capital per dollar of that capital.

As a result, it is not possible to anticipate the potential number of common shares of the Bank or its affiliates that would be issued in respect of any Bail-inable Note converted on a Bail-in Conversion, the aggregate number of such common shares that will be outstanding following the Bail-in Conversion, the effect of dilution on the common shares received from other issuances under or in connection with an Order or related actions in respect of the Bank or its affiliates or the value of any common shares received by the Noteholder, which could be significantly less than the principal amount of the converted Bail-inable Notes. It is also not possible to anticipate whether shares of the Bank or shares of its affiliates would be issued in a Bail-in Conversion. There may be an illiquid market, or no market at all, in the common shares issued upon the Bail-in Conversion and such Noteholders may not be able to sell those common shares at a price equal to the value of the converted Bail-inable Notes and as a result may suffer significant losses that may not be offset by compensation, if any, received as part of the compensation process. Fluctuations in exchange rates may exacerbate such losses.

*By acquiring Bail-inable Notes, a Noteholder is deemed to agree to be bound by a Bail-in Conversion and so will have no further rights in respect of its Bail-inable Notes that are converted in a Bail-in Conversion, other than those provided under the bail-in regime. Any potential compensation to be provided through the compensation process under the CDIC Act is unknown.*

The CDIC Act provides a compensation process for Noteholders holding Bail-inable Notes who immediately prior to the making of an Order, directly or through an intermediary, own Bail-inable Notes that are converted on a Bail-in Conversion. Given the considerations involved in determining the amount of compensation, if any, that a holder of Bail-inable Notes may be entitled to following an Order, it is not possible to anticipate what, if any, compensation would be payable in such circumstances. By acquiring an interest in Bail-inable Notes, the holder is deemed to agree to be bound by a Bail-in Conversion and so will

have no further rights in respect of the Bail-inable Notes to the extent that the Bail-inable Notes are converted in a Bail-in Conversion, other than those provided under the Bail-In Regime.

While this process applies to successors of such Noteholders it does not apply to assignees or transferees of the Noteholder following the making of the Order and does not apply if the amounts owing under the relevant Bail-inable Notes are paid in full.

Under the compensation process, the compensation to which such Noteholders are entitled is the difference, to the extent it is positive, between the estimated liquidation value and the estimated resolution value of the relevant Bail-inable Notes. The liquidation value is the estimated value the Bail-inable Noteholders would have received if an order under WURA had been made in respect of the Bank, as if no Order had been made and without taking into consideration any assistance, financial or otherwise, that is or may be provided to the Bank, directly or indirectly, by CDIC, the Bank of Canada, the Government of Canada or a province of Canada, after any order to wind up the Bank has been made.

The resolution value in respect of relevant Bail-inable Notes is the aggregate estimated value of the following: (a) the relevant Bail-inable Notes, if they are not held by CDIC and they are not converted, after the making of an Order, into common shares under a Bail-in Conversion; (b) common shares that are the result of a Bail-in Conversion after the making of an Order; (c) any dividend or interest payments made, after the making of the Order, with respect to the relevant Bail-inable Notes to any person other than CDIC; and (d) any other cash, securities or other rights or interests that are received or to be received with respect to the relevant Bail-inable Notes as a direct or indirect result of the making of the Order and any actions taken in furtherance of the Order, including from CDIC, the Bank, the liquidator of the Bank, if the Bank is wound up, the liquidator of a CDIC subsidiary incorporated or acquired by order of the Governor in Council for the purposes of facilitating the acquisition, management or disposal of real property or other assets of the Bank that CDIC may acquire as the result of its operations that is liquidated or the liquidator of a bridge institution if the bridge institution is wound up.

In connection with the compensation process, CDIC is required to estimate the liquidation value and the resolution value in respect of the portion of converted Bail-inable Notes and is required to consider the difference between the estimated day on which the liquidation value would be received and the estimated day on which the resolution value is, or would be, received.

CDIC must, within a reasonable period following a Bail-in Conversion, make an offer of compensation by notice to the relevant Noteholders that held Bail-inable Notes equal to, or in value estimated to be equal to the amount of compensation to which such Noteholders are entitled or provide a notice stating that such Noteholders are not entitled to any compensation. In either case such notice is required to include certain prescribed information, including important information regarding the rights of such Noteholders to seek to object and have the compensation to which they are entitled determined by an assessor (a Canadian Federal Court judge) where holders of liabilities representing at least 10% of the principal amount and accrued and unpaid interest of the liabilities of the same class object to the offer or absence of compensation. The period for objecting is limited (45 days following the day on which a summary of the notice is published in the *Canada Gazette*) and failure by Noteholders holding a sufficient principal amount plus accrued and unpaid interest of affected Bail-inable Notes to object within the prescribed period will result in the loss of any ability to object to the offered compensation or absence of compensation, as applicable. CDIC will pay the relevant Noteholders the offered compensation within 135 days of the date on which the summary of the notice is published in the *Canada Gazette* if (i) the offer of compensation is accepted, (ii) the Noteholder does not notify CDIC of acceptance or objection to the offer, or (iii) if the Noteholder objects to the offer, the 10% threshold described above is not met within the aforementioned 45-day period.

Where an assessor is appointed, the assessor could determine a different amount of compensation payable, which could be higher or lower than the original amount. The assessor is required to provide Noteholders, whose compensation it determines, notice of its determination. The assessor's determination is final and there are no further opportunities for review or appeal. CDIC will pay the relevant Noteholders the compensation amount determined by the assessor within 90 days of the assessor's notice.

By its acquisition of an interest in Bail-inable Notes, the Noteholder or beneficial owner is deemed to be bound by a Bail-in Conversion and so will have no further rights in respect of Bail-inable Notes that are converted on a Bail-in Conversion than those provided under the Bail-in Regime.

*Absence of set-off and netting rights.*

Bail-inable Notes are not subject to set-off or netting rights.

*Following a Bail-in Conversion, Noteholders or beneficial owners that held Bail-inable Notes that have been converted will no longer have rights against the Bank as creditors.*

Upon a Bail-in Conversion, the rights, terms and conditions of the portion of Bail-inable Notes that are converted, including with respect to priority and rights on liquidation, will no longer apply as the portion of converted Bail-inable Notes will have been converted on a full and permanent basis into common shares of the Bank or any of its affiliates ranking on parity with all other outstanding common shares of that entity. If a Bail-in Conversion occurs, then the interest of the depositors, other creditors and holders of liabilities of the Bank not bailed in as a result of the Bail-in Conversion will all rank in priority to such common shares.

Given the nature of the Bail-in Conversion, a holder or beneficial owner of Bail-inable Notes that are converted will become a holder or beneficial owner of such common shares at a time when the Bank's and potentially its affiliates' financial condition has deteriorated. They may also become a holder or beneficial owner of common shares at a time when the relevant entity may have received or may receive a capital injection or equivalent support with terms that may rank in priority to the common shares issued in a Bail-in Conversion with respect to the payment of dividends, rights on liquidation or other terms although there is no certainty that any such capital injection or support will be forthcoming.

*Bail-inable Notes are loss-absorption financial instruments that involve risks and may not be a suitable investment for all investors.*

Bail-inable Notes are loss-absorption financial instruments designed to comply with applicable Canadian banking regulations and involve certain risks. Each potential investor of Bail-inable Notes must determine the suitability (either alone or with the help of a financial adviser) of that investment in light of its own circumstances and each potential investor should understand thoroughly the Bail-in Regime and the consequences of bank resolution powers under the Bail-in Regime.

A potential investor should not invest in the Bail-inable Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to be in a position to bear the risk of uncertainty with respect to how the Bail-inable Notes will perform under changing conditions, the likelihood of an Order and the effect of an Order on the value of the Bail-inable Notes, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference herein.

*TLAC Disqualification Event Redemption.*

At any time following the occurrence of a TLAC Disqualification Event (as defined in the Conditions) in relation to any Bail-inable Notes, and if the applicable Final Terms for the Notes of such Series specify that a TLAC Disqualification Event Call is applicable, the Bank may, at its option, with the prior approval of the Superintendent, redeem all, but not less than all of the outstanding Bail-inable Notes prior to their stated maturity date after the occurrence of the TLAC Disqualification Event, at the time or times and at the redemption price or prices specified in the applicable Final Terms, together (if applicable) with any unpaid interest accrued thereon to, but excluding, the date fixed for redemption. If the Bank redeems the Notes, you may not be able to reinvest the redemption proceeds in securities offering a comparable anticipated rate of return. Additionally, although the terms of each Series of Bail-inable Notes are anticipated to be established to satisfy the TLAC criteria within the meaning of the TLAC Guideline to

which the Bank is subject, it is possible that any Series of Bail-inable Notes may not satisfy the criteria in future rulemaking or interpretations.

***Other factors.***

Other factors that may affect future results of the Issuer include:

- amendments to, and interpretations of, risk-based capital guidelines and reporting instructions may require the Issuer to reallocate capital resources among its business lines, which could have a material impact on its financial results and its ability to make payments on the Notes;
- changes to accounting standards, rules and interpretations may have a material impact on the Issuer's financial results;
- changes in the Issuer's estimates of reserves and allowances may have a material impact on the Issuer's financial results;
- changes in tax laws may have a material impact on the Issuer's financial results;
- political conditions and developments may adversely impact the Issuer's business and the Issuer's ability to make payments on the Notes;
- the Issuer's business may be adversely impacted by international conflicts and the war on terror;
- natural disasters and public health emergencies may adversely affect the financial condition of the Issuer and the Issuer's ability to make payments on the Notes;
- disruptions in public infrastructure and other catastrophic events may adversely affect the Issuer's business and financial condition;
- technological changes may affect the Issuer's ability to keep pace with competitors or expose the Issuer to security risks that could adversely affect its financial results;
- changes in client spending habits may adversely affect the Issuer's financial results; and
- the failure of third parties to comply with their obligations to the Issuer and its Affiliates may adversely affect the Issuer's financial results and financial condition.

If the Issuer is unable to anticipate and manage the risks associated with all of the above factors, there could be a material impact on the Issuer's financial results and financial condition and the Issuer's ability to make payment on the Notes.

**Factors that are material for the purpose of assessing the market risks associated with Notes issued under the Programme.**

Each of the risks highlighted below could adversely affect the trading price of any Notes or the rights of investors under any Notes and, as a result, investors could lose some or all of their investment. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay or deliver amounts on or in connection with Notes for other reasons.

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

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

*Notes subject to optional redemption by the Issuer.*

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

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

*Reference Item Linked Notes and Dual Currency Notes.*

The Bank may issue Notes that (i) bear interest and/or provide that the redemption amount is calculated by reference to one or more specified underlying assets or bases of reference such as indices (including equity or commodity), equities, fund shares or units, commodities or the credit of one or more underlying entities (each such underlying asset or basis of reference, a “**Reference Item**” and any Reference Item linked Notes, “**Reference Item Linked Notes**”); (ii) be redeemed by physical delivery (“**Physical Delivery Notes**”) of specified asset(s), (iii) reference any combination of the foregoing; and/or (iv) have such other terms and conditions as specified in the applicable Final Terms. In addition the Bank may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. An investment in such Notes entails significant risks that are not associated with similar investments in a conventional debt or equity securities and in some circumstances the value of the Notes and/or the amount paid at maturity, exercise or redemption (as applicable) may be less than the purchase price amount of the Notes and may be zero in which case an investor may lose some or all of the amount it invested in the Notes. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile and the market price of the Notes at any time is likely to be affected primarily by changes in the level of the Reference Item to which the Notes are linked. It is impossible to predict how the level of the Reference Item will vary over time;
- (ii) they may receive no interest or they may receive interest at a rate that is less than that payable on a conventional fixed rate or floating rate debt security issued at the same time;
- (iii) payment of principal, interest or other amounts may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their investment;
- (v) if the principal of and/or premium or other amount payable on such a Note is so indexed, the amount of principal and/or premium or other amount payable in respect thereof may be less than the original purchase price of such Note and less than the nominal or face amount of Notes, and the amount of principal and/or premium or other amount payable may even be zero;
- (vi) investors should be willing to hold these Notes until the maturity date, redemption date or expiration date (as applicable) as the secondary market for such Notes may be limited or non-existent and if there is a limited secondary market then the lack of demand may reduce the market price at which Notes may be sold prior to maturity, redemption, settlement or expiration;
- (vii) the market price will be affected by a number of factors independent of the creditworthiness of the Issuer and will depend on the value of the applicable Reference Item(s) as well as the volatility of the applicable Reference Item(s), the time remaining to the maturity, redemption or expiration of such Notes, the amount outstanding of such Notes, market interest rates, yield rates and the market for other types of related and unrelated financial instruments, where the Reference Item(s) are



equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item and where Notes are Credit Linked Notes, the credit of the reference entity;

- (viii) a Reference Item may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other securities, funds or indices and may depend on a number of interrelated factors over which the Issuer has no control, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange on which any Reference Item and/or obligation of the issuer of the Reference Item may be traded. Additionally, if the formula used to determine the amounts payable with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the Reference Item(s) will be increased (or decreased if the multiplier or relevant factor is less than one) and this increase (or decrease) may be significant;
- (ix) the timing of changes in a Reference Item(s) may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Reference Item(s), the greater the effect on yield;
- (x) with respect to Equity Linked Notes, if such Notes are redeemable or settled (as applicable) either by payment of a cash amount or by delivery of the underlying securities in lieu thereof, there is no assurance that the value of the securities received will not be less than the purchase price of the Notes;
- (xi) Notes are of limited maturity and, unlike direct investments in a share, index, fund, security, index, commodity or other asset, investors are not able to hold them beyond the maturity date, redemption date, settlement date or expiration date (as applicable) in the expectation of a recovery in the price of the underlying; and
- (xii) the price at which an investor will be able to sell Notes prior to the maturity date, redemption date, settlement date or expiration date (as applicable) may be at a substantial discount to the market value of the Notes at the time they are issued depending on the performance of the Reference Item.

The historical experience of the relevant currencies, commodities, interest rates, equities, indices, funds or other financial variables should not be taken as an indication of future performance of such currencies, commodities, interest rates, equities, indices, funds or other financial variables during the term of any Note. Prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances.

Prospective investors in Reference Item Linked Notes should understand the risks of transactions involving such Reference Item Linked Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of Reference Item Linked Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Notes and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Notes may relate, as specified in the applicable Final Terms.

As the amount of interest payable periodically and/or amount payable at maturity, redemption or settlement (as applicable) may be linked to the performance of the Reference Item(s), an investor in such a Reference Item Linked Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Reference Item(s).

Where the applicable Final Terms specify one or more Reference Item(s), the relevant Reference Item Linked Notes will represent an investment linked to the economic performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in such Reference Item Linked Notes will depend upon the performance of such Reference Item(s). Potential investors should

also note that while the market value of Reference Item Linked Notes is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s), Reference Item Linked Notes represent the right to receive payment or delivery, as the case may be, of the relevant cash amount and/or specified assets on the relevant maturity date, settlement date or redemption date (as applicable) as well as periodic payments of interest (if specified in the applicable Final Terms), all or some of which may be determined by reference to the performance of the relevant Reference Item(s). The applicable Final Terms will set out the provisions for the determination of any cash amount and/or specified assets and of any periodic interest.

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

Fluctuations in the value and/or volatility of the relevant Reference Item(s) may affect the value of the relevant Reference Item Linked Notes. Investors in Reference Item Linked Notes may risk losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction.

There is no return on Reference Item Linked Notes other than the potential payment or delivery, as the case may be, of the relevant cash amount and/or specified assets on the maturity date, redemption date or settlement date (as applicable) and payment of any periodic interest.

Other factors which may influence the market value of Reference Item Linked Notes include interest rates, potential dividend or interest payments (as applicable) in respect of the relevant Reference Item(s), changes in the method of calculating the level of the relevant Reference Item(s) from time to time and market expectations regarding the future performance of the relevant Reference Item(s), its composition and such Reference Item Linked Notes.

If any of the relevant Reference Item(s) is an index, the value of such Reference Item(s) on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item(s) and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of such Reference Item(s) and therefore may affect the return on an investment in Reference Item Linked Notes.

The Bank may issue several issues of Reference Item Linked Notes relating to particular Reference Item(s). However, no assurance can be given that the Bank will issue any Reference Item Linked Notes other than the Reference Item Linked Notes to which the applicable Final Terms relate. At any given time, the number of Reference Item Linked Notes outstanding may be substantial. Reference Item Linked Notes provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Reference Item(s) to which such Reference Item Linked Notes relate.

*Movements in the Reference Item will affect the performance of the Notes.*

Movements in the level or price of the Reference Item 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 Reference Item may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an inflation index or result of a formula, the greater the effect on yield.

*Leverage will magnify the effect of changes in the Reference Item.*

If the Final Redemption Amount, Redemption Amount, Cash Settlement Amount or Entitlement, as the case may be, and any periodic interest payments 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 on the Final Redemption Amount, Redemption Amount, Cash Settlement Amount, Entitlement or interest payable will be increased.

*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.

*Early redemption for Illegality.*

In the event that the Bank determines in good faith that the performance of its obligations under the Notes or that any arrangements made by the Bank and/or any Affiliate to hedge the Bank's obligations under such Notes have 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, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Bank may redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms together, if appropriate, with accrued interest, taking into account any hedging losses by Bank and/or such Affiliate(s). In the case of Notes that are Bail-inable Notes and qualify as TLAC, such redemption will be subject to the prior approval of the Superintendent if such redemption would result in a breach of the Bank's minimum TLAC requirements.

*The secondary market price of the Notes may be less than the Issue Price and/or the Offer Prices.*

Investors should note that, in certain circumstances immediately following the issue of the Notes, the secondary market price of the Notes may be less than the Issue Price and/or the Offer Price in the event that the Issue Price and/or the Offer Price included the fees to be paid to distributor(s).

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

In order to receive the Entitlement in respect of a Physical Delivery Note, the Noteholder must (1) duly deliver to the Clearing System and/or Paying Agents and/or Registrar, 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 (other than Credit Linked Notes), if a Settlement Disruption Event occurs or exists on the Maturity Delivery Date, settlement will be postponed until the next date on which no Settlement Disruption Event occurs. The Bank 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 Bank 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 all Expenses relating to such Physical Delivery Notes.*

Holders of Physical Delivery Notes must pay all Expenses relating to such Physical Delivery Notes. As used in the Terms and Conditions, “Expenses” includes any applicable depositary 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 of the Entitlement.

*The Bank may have the right to vary settlement.*

If so indicated in the applicable Final Terms, the Bank has an option to vary settlement in respect of the Notes. If exercised by the Bank, this option will lead to Physical Delivery Notes being cash settled or Cash Settled Notes being physically settled. Exercise of such option may affect the value of the Notes or the amount received by an investor on settlement.

*Noteholders have no claim against any Reference Item(s).*

Owning Notes with payments and/or delivery of specified assets determined by reference to a Reference Item(s) is not the same as owning the Reference Item(s). A Note will not represent a claim against any Reference Item(s) and, in the event that the amount paid on redemption of the Notes is less than the purchase price of the Notes, a Noteholder will not have recourse under a Note to any Reference Item(s). Accordingly, the market value of such Notes may not have a direct relationship with the market price of the Reference Item(s) and changes in the market price of the Reference Item(s) may not result in a comparable change in the market value of the Notes. For example, the market value of such Notes may not increase even if the price of the Reference Item(s) increases. It is also possible for the price of the Reference Item(s) to increase while the market price of such Notes declines.

***The amount paid or the value of the specified assets delivered by the Bank on redemption, cancellation or settlement (as applicable) of such Notes may be less than the purchase price of the Notes, together with any accrued interest, and may in certain circumstances be zero.***

*Hedging and other potential conflicts of interest.*

The Bank and/or one or more of its Affiliates may hedge the obligations under Reference Item Linked Notes by purchasing or selling the Reference Item(s) or other derivative instruments with returns linked to or related to changes in the value of the Reference Item(s) and may also adjust these hedges by, among other things, purchasing or selling the Reference Item(s) or other derivative instruments at any time and from time to time. Any of these hedging activities may affect the price of the Reference Item(s) and, therefore, the value of associated Reference Item Linked Notes. It is possible that the Bank or one or more of its Affiliates could receive substantial returns from these hedging activities while the value of the Reference Item(s) may decline. However neither the Bank nor any of its Affiliates will be obligated to hedge the Bank’s exposure under Reference Item Linked Notes nor is there any assurance that any hedging transaction will be maintained or successful.

The Bank or one or more of its Affiliates may also engage in trading in the Reference Item(s) on a regular basis as part of general broker-dealer and other businesses of the Bank or its Affiliates, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. Any of these activities could affect the price of the Reference Item(s) and, therefore, the value of the associated Reference Item Linked Notes. The Bank or one or more of its Affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the value of the Reference Item(s) and the availability of such competing products could adversely affect the value of the Reference Item Linked Notes.

The Calculation Agent for an issue of Notes is the agent of the Bank and not an agent for the Holders. Where the Bank acts as Calculation Agent or the Calculation Agent is an affiliate of the Bank, potential conflicts of interest may exist between the Calculation Agent and the Noteholders, including with respect to certain determination and judgements that the Calculation Agent may make pursuant to the Conditions that may influence the amount receivable or specified assets deliverable upon redemption of the Notes. The Calculation Agent will make such determinations and adjustments as it deems appropriate,

in accordance with the Conditions of the Notes. In making such determinations and adjustments, the Calculation Agent will be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

The Bank and any relevant Dealer may, at the date hereof or any time hereafter, be in possession of information in relation to a Reference Item that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. There is no obligation on the Bank or any Dealer(s) to disclose to Noteholders any such information.

*No pledge or holding of Reference Item(s).*

Neither the Bank nor any of its Affiliates will pledge or otherwise hold the Reference Item(s) or other derivative instruments for the benefit of Noteholders in order to enable Noteholders to exchange Reference Item Linked Notes for the associated Reference Item(s) or other derivative commitments under any circumstances. The sole entitlement of the Noteholders in respect of Reference Item Linked Notes is against the credit of the Bank. Consequently, in the event of a bankruptcy, insolvency or liquidation of the Bank, any of the Reference Item(s) or other derivative commitments owned by the Bank or its Affiliates will be subject to the claims of the Bank's creditors generally and will not be available specifically for the benefit of Holders.

*Certain considerations regarding hedging.*

Prospective investors intending to purchase Notes to hedge against the market risk associated with investing in a security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other asset or basis of reference which may be specified in the applicable Final Terms, should recognise the complexities of utilising Notes in this manner. For example, the value of the Notes may not exactly correlate with the value of the security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other asset or basis which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Notes, there is no assurance that their value will correlate with movements of the security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other asset or basis which may be specified in the applicable Final Terms.

*Principal Protection.*

If the Notes are specified in the applicable Final Terms as having a Protection Amount, such Notes are principal protected only at maturity. If such Notes are redeemed before their scheduled maturity, they may return less than the Protection Amount or even zero.

Investors should note that certain Reference Item Linked Notes may not benefit from a Protection Amount and investors may receive less than the initial investment amount of the Notes and investors are exposed to full loss of their investment.

*Post-Issuance Information.*

The Bank will not provide post-issuance information in relation to the relevant Reference Item unless otherwise indicated in the relevant Final Terms.

***Risks relating to Specific Reference Item Linked Notes.***

*Index Linked Notes.*

The Bank may issue Notes where amounts payable are dependent upon the level, or changes in the level, of an index or a basket of indices ("**Index Linked Notes**").

Potential investors in any such Notes should be aware that, depending on the terms of the Index Linked Notes (i) they may receive no or a limited amount of interest, (ii) payments may occur at a different

time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, movements in the level of the index or basket of indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

Returns on Index Linked Notes may not reflect the return an investor would realise if it actually bought all securities comprised in the index and in the same proportion as the weighting of such securities in the index or, as the case may be, indices in an index basket and received the dividends paid on those securities because the closing index level or levels on any date may reflect the price of such securities without taking into account the value of dividends paid on those securities. Also, an investor in the Notes will not benefit from any voting rights or rights to receive cash dividends or other distributions or rights that it would have benefited from in case of direct investment in the securities.

The Calculation Agent may determine that an event giving rise to a Disrupted Day (as defined in the Conditions) has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay applicable purchase payments or settlement. Prospective investors should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

The Index Sponsor of any relevant Index can add, delete or substitute the securities comprised in the Index or amend in any other way the methodology of the Index. Investors should be aware that those decisions by the Index Sponsor may adversely affect the value of the Notes (e.g. if a newly added company performs significantly worse or better than the company it replaces).

No Index Sponsor of any relevant Index has to consider interests of Noteholders in calculating and revising the Index.

If an Index Adjustment Event occurs, prospective investors should note that the Bank may, in the case of Notes, redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms.

The market price of such Notes may be volatile and may be affected by the time remaining to the redemption or expiration date (as applicable) and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

#### *Equity Linked Notes.*

The Bank may issue Notes where the amounts payable are dependent upon the price of or changes in the price of an equity security or a basket of equity securities or where, depending on the price of or change in the price of an equity security or a basket of equity securities, on redemption the Bank's obligation is to deliver specified assets ("**Equity Linked Notes**").

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

The Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay any applicable redemption payments, or settlement. Prospective investors should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

If Potential Adjustment Event and/or De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Insolvency Filing and/or Tender Offer are specified as applying in the applicable Final Terms, prospective investors should note that the Notes will be subject to adjustment or may be redeemed at the Early Redemption Amount specified in the applicable Final Terms, taking into account any hedge costs.

In respect of Equity Linked Notes relating to an equity security or equity securities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the euro, if such equity security or equity securities is/are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, prospective investors should note that the Calculation Agent will adjust any one or more of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. Prospective investors should also note that the Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the relevant Valuation Time at the official conversion rate, if any, or an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the relevant Valuation Time.

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

Equity Linked Notes do not represent a claim against or an investment in any equity issuer and Noteholders will not have any recourse against the equity issuer.

*Potential exposure to risks of emerging markets.*

Where the terms and conditions of the Notes reference one or more emerging market Reference Item(s), investors of such Notes should be aware that the political and economic situation in countries with emerging economies or stock markets may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries, including a significant risk of currency value fluctuation. Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision-making, including changes or attempted changes in governments through extra-constitutional means, popular unrest associated with demands for improved political, economic or social conditions; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious and racial disaffections or conflict. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from investing in those countries, including the risks of nationalisation or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of a Reference Item investment in those countries. The small size and inexperience of the securities markets in certain countries and the limited volume of trading in securities may make the Reference Item(s) illiquid and more volatile than investments in more established markets. There may be little financial or accounting information available with respect to the Underlying equity issuers, and it may be difficult as a result to assess the value or prospects of the Reference Item(s).

*Additional considerations relevant for Index Linked Notes or Equity Linked Notes where an equity security, basket of equity securities or equity index is the Reference Item.*

Except as specified in the applicable Conditions, in relation to Physical Delivery Notes, Noteholders will not have voting rights or rights to receive dividends or other distributions or any other rights that holders of the reference equity securities would have and Noteholders will not have any beneficial interest in or right to acquire the reference equity securities or any derivative instruments related thereto.

The Calculation Agent may not be required to make an adjustment for every event that can affect the reference index or equity securities. If an event occurs that does not require the Bank to adjust the amount payable at maturity in respect of the reference equity security or reference index, the market price of the associated Reference Item Linked Notes and the amount of interest or the principal amount payable at the maturity may be materially and adversely affected.

The Bank or one or more of its Affiliates may, at present or in the future, engage in business with an equity issuer or its competitors, including making loans to or equity investments in an equity issuer or its competitors or providing either with investment banking, asset management or other advisory services, including merger and acquisition advisory services. These activities may present a conflict between the Bank's or its Affiliates' obligations and the interests of Noteholders. Moreover, the Bank or one or more of its Affiliates may have published and may in the future publish research reports on an equity issuer or upon any reference index which may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Reference Item Linked Notes. Any of these activities could affect the price of the reference equity securities or reference index and, therefore, the value of the associated Reference Item Linked Notes.

If the Bank and its Affiliates are not affiliated with the equity issuers, the Bank will have no ability to control or predict the actions of these issuers, including any corporate actions of the type that would require the Bank to adjust the amount payable on the Reference Item Linked Notes, and will have no ability to control the public disclosure of these corporate actions or any other events or circumstances affecting the equity issuers. The equity issuers will have no obligation to consider the interests of Noteholders in taking any corporate actions that might affect the value of the associated Reference Item Linked Notes. The equity issuers may take actions that will adversely affect the value of the associated Reference Item Linked Notes. None of the money paid for the Reference Item Linked Notes will go to the equity issuers.

Neither the Bank nor any of its Affiliates assumes any responsibility for the adequacy or accuracy of the information about the equity issuers contained in any terms supplement or in any publicly available filings made by the equity issuers. Prospective investors should make their own investigation into the relevant equity issuers.

#### *Commodity Linked Notes.*

The Bank may issue Notes where amounts payable are dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or change in the price of the commodity or basket of commodities, on maturity, redemption or settlement (as applicable) the Bank may be obliged to deliver specified assets (together "**Commodity Linked Notes**").

Potential investors in any such Notes should be aware that depending on the terms of the Commodity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the commodity or commodities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the commodity or basket of commodities may affect the actual yield to investors, even if the average level is consistent with their expectations. In particular Commodity Linked Notes which are related to the value of commodities tend to be more volatile than traditional securities investments. The market values of commodities tend to be highly volatile. Commodity market values are not related to the value of a future income or earnings stream, as tends to be the case with fixed-income and equity investments, but are subject to variables of specific application to commodities markets. These variables include changes in supply and demand



relationships, governmental programmes and policies, national and international monetary, trade, political, judicial and economic events, changes in interest and exchange rates, speculation and trading activities in commodities and related contracts, weather, and agricultural, trade, fiscal and exchange control policies. These factors may have a larger impact on commodity prices and commodity-linked instruments than on traditional fixed-income and equity securities. Further, in general, the earlier the change in the price or prices of the commodities, the greater the effect on yield.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption or expiration date (as applicable) and the volatility of the price of the commodities. The price of commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

#### *Fund Linked Notes.*

##### *General.*

The Bank may issue Notes where the amounts payable are dependent upon the price or changes in the price of one or more Fund Interests or Fund Shares or where, depending on the price or changes in the price of one or more Fund Interests or Fund Shares, the Bank 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. Funds may also include exchange traded Funds (“ETFs”).

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

Neither the Bank nor its Affiliates have the ability to control or predict the actions of the Fund Adviser or other Fund Service Provider. The Fund Adviser is not involved in the offer of the Notes in any way and has no obligation to consider the interests of the Noteholders in taking any corporate actions that might affect the value of the Notes.

The Bank may have no role in the relevant Fund. The Fund Adviser is responsible for making strategic, investment and other trading decisions with respect to the management of the Fund, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. Returns on Fund Interests or Fund Shares reflect fees payable to the Fund Adviser and will be paid regardless of performance. The manner in which a Fund is managed and the timing of such decisions will have a significant impact on the performance of the Fund. Hence, the price which is used to calculate the performance of the Fund is also subject to these risks. Set out below are risks common to any fund or funds and are not specific to the Fund. These risks include:

- (i) the risk that the share price of one or more of the assets in the Fund’s portfolio will fall, or will fail to rise. Many factors can adversely affect an asset’s performance, including both general financial market conditions and factors related to a specific asset or asset class;
- (ii) general macro-economic or asset class specific factors, including interest rates, rates of inflation, financial instability, lack of timely or reliable financial information or unfavourable political or legal developments;
- (iii) asset allocation policies of the Fund Adviser;

- (iv) credit quality and the risk of default of one of the Funds or of assets generally held in the Fund;
- (v) the risk that the Fund's investment objectives and/or investment restrictions as set out in its constitutive documents are materially changed, not complied with or the method of calculating the Net Asset Value is materially changed;
- (vi) the risk that the Fund is liquidated, dissolved or otherwise ceases to exist or it or its Fund Adviser is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law; and
- (vii) the risk that the Fund is subject to a fraudulent event.

Prospective investors in the Notes should be aware that the Fund Adviser will manage the Fund in accordance with the investment objectives of and guidelines applicable to the Fund. Furthermore, the arrangements between the Fund Adviser and the Fund have, in most cases, not been negotiated at arm's length and it is unlikely that the Fund Adviser will be replaced or that additional fund managers and/or fund advisers will be retained.

*Use of estimates.*

Potential investors should understand that for certain determinations, the Calculation Agent or the Bank may be required to rely on (a) values that at the time they are required are only estimated values, and (b) information provided by third parties, such as the Fund Adviser or Fund Service Providers, on the basis of their models, market anticipation and assumptions, the accuracy of which neither the Bank nor the Calculation Agent has any control over, and as such, they may rely on this information without any obligation to verify or otherwise corroborate it.

*Changing value.*

The value of the Notes may move up or down between the Issue Date and the maturity date, redemption date, settlement date or exercise date (as applicable) and an investor in the Notes in the secondary market during that time or on maturity of the Notes may sustain a significant loss. Factors that may influence the value of the Notes include: the value of the Fund; the creditworthiness of the Bank in respect of the Notes; and those economic, financial, political and regulatory events that affect financial markets generally (including, for example, interest, foreign exchange and yield rates in the market).

The market price of a Fund Share in an ETF 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 a Fund Share and may be affected by the performance of the Fund Service Providers, and in particular the Fund Adviser. The price of a Fund Share may be affected by economic, financial, political and regulatory events that affect financial markets generally (including, for example, factors affecting the exchange(s) or quotation system(s) on which any such Fund Share may be traded).

*Prospective investors of the Notes have no rights with respect to the Fund or underlying Fund Shares or Fund Interests.*

A prospective investor in Notes has no rights with respect to the Fund Shares or Fund Interests including, without limitation, the right to receive dividends or other distributions. None of the Bank, any Dealers or the Agents or any of their respective affiliates has performed any investigation or review of any entities that manage a Fund for the purpose of forming a view as to the merit of an investment linked to such Fund. None of the Bank, any Dealers or the Agents or any of their respective affiliates have performed or will perform any investigation or review of any entities that manage the Fund from time to time, including any investigation of public filings of such entities, for the purpose of forming a view as to the suitability of an investment linked to the Net Asset Value per underlying Fund Interest or Fund Share and they make no guarantee or express or implied warranties in respect of the Fund, the Fund Adviser or any other entity. Accordingly, investors should not conclude that the issue by the Bank of the Notes is any

form of investment recommendation or advice by any of the Bank, any Dealers or the Agents or any of their respective affiliates.

#### *Fund Events.*

Prospective investors should understand that, if a Fund Event is applicable, on the occurrence of any of the Fund Events, the Bank may require the Calculation Agent: (i) to make such adjustments as it determines appropriate, including delaying any determination date or related payment date until it determines that no Fund Event exists, (ii) select replacement Funds, or (iii) in the case of Notes, redeem the Notes early and pay each Noteholder the Early Redemption Amount, taking into account any hedge costs. “**Fund Events**” include Additional Fund Disruption Events (which include Change in Law, Fund Hedging Disruption and Increased Cost of Hedging), Fund Valuation Disruption, Fund Settlement Disruption, Nationalisation, Insolvency, Fund Insolvency Event, NAV Trigger Event, Adviser Resignation Event, Fund Modification, Strategy Breach, Regulatory Action, Reporting Disruption, Fund Service Provider Cessation, Fund Administration Disruption and Related Agreement Termination.

#### *Fund Potential Adjustment Events.*

Following the declaration by a Fund of any Fund Potential Adjustment Event, the Calculation Agent may determine to make adjustments to the terms of the Fund Linked Notes.

#### *Exchange Traded Funds.*

In the case where the Fund is an ETF, if De-listing, Insolvency, Material Underlying Event (which includes events in relation to the ETF and/or Fund Share which is materially prejudicial to the Bank in connection with the issue of the Fund Linked Notes or any related hedging arrangement) and/or Merger Event, Nationalisation and/or Tender Offer are specified as applying to the applicable Final Terms, the Notes will also be subject to adjustment or in the case of Notes, early redemption at the Early Redemption Amount specified in the applicable Final Terms, taking into account any hedging costs.

If Fund Potential Adjustment Events occur, prospective investors should note that the Notes will be subject to adjustment.

The Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay any applicable redemption payments, or settlement. Prospective investors should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

#### *Additional Disruption Events (Index Linked Notes, Commodity Linked Notes and Equity Linked Notes and Fund Linked Notes only).*

If certain Additional Disruption Events are specified as applying in the applicable Final Terms, the Notes will be subject to adjustment or may be redeemed or cancelled (as applicable) upon the occurrence of any of the Additional Disruption Events specified as applying in the applicable Final Terms. “Additional Disruption Events” may include change in law, hedging disruption, increased cost of hedging and/or insolvency filings.

#### *General risks relating to Credit Linked Notes.*

The Bank 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 entities (together “**Reference Entities**” and each a “**Reference Entity**”) and, if so, on the value of certain specified assets of such Reference Entity/Entities or where, if such events have occurred, on redemption the Bank's obligation is to deliver certain specified assets.

Prospective investors in any 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 (or other

periodic payments), (ii) payments 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, prevailing credit spreads and the creditworthiness of the relevant Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions. In the event of redemption of Credit Linked Notes following the occurrence of a Credit Event, the Credit Linked Notes will either (i) cease to bear interest from the Interest Payment Date immediately preceding the Credit Event Determination Date if "Accrual of Interest upon Credit Event" is specified as Not Applicable in the applicable Final Terms, or (ii) cease to bear interest from the Credit Event Determination Date if "Accrual of Interest upon Credit Event" is specified as being Applicable in the applicable Final Terms.

Where the Credit Linked Notes provide for physical delivery, the Bank may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions but excluding the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date or (b) assets which the Bank and/or any Affiliate and/or agent has not received under the terms of any transaction and/or trading position entered into by the Bank and/or such Affiliate and/or agent to hedge the Bank'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. In addition, since the deliverable assets will be issued, guaranteed or insured by the Reference Entity affected by a Credit Event, the value of such assets at the relevant time may be considerably less than would be the case if a Credit Event had not occurred. 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.

The Bank, the Dealer(s) or any of their respective Affiliates may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Reference Entity/Entities that they may not disclose. 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 Bank, the Dealer(s) or any of their respective Affiliates may have will not be disclosed to investors. None of the Bank, the Dealer(s) or any of their respective Affiliates is under any obligation (i) to review on the Noteholders' 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 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.

Certain Credit Linked Notes may be highly leveraged instruments, including without limitation (i) Credit Linked Notes linked to a notional amount relating to Reference Entities or Reference Obligations exceeding the Calculation Amount of the Credit Linked Notes or (ii) Credit Linked Notes linked to the first-to-default reference entity within a reference portfolio (or similar arrangements over a reference portfolio). The use of leverage is a speculative investment technique designed to enhance returns. However, such technique will also magnify the adverse impacts of a Credit Event.

In the case of Physical Delivery, 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 Noteholder in accordance with its terms and the Noteholders must have the capacity to hold such loan (or loan interest).

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 the provisions of the definition of Substitute Reference Obligation, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation until the Extension Date although the Calculation Agent is not obliged to select a Substitute Reference Obligation at any time. 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, a Substitute Reference Obligation has not been identified, then the Bank shall have the right on or after the Extension Date to redeem the Notes at the Early Redemption Amount (determined by the Calculation Agent taking into account the creditworthiness of the Reference Entity at the time of the early redemption) by notice to the Noteholders of the relevant Credit Linked Notes, such payment to be made as specified in such notice. Such notice shall contain details of the procedures and due date for such early redemption.

The Bank's obligations in respect of Credit Linked Notes are irrespective of the existence or amount of the Bank's and/or any Affiliates' credit exposure to a Reference Entity and the Bank 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.

#### *Nth-to-Default Credit Linked Notes.*

In the case of Nth-to-Default Credit Linked Notes, a Credit Event may occur in relation to one or more of the specified Reference Entities, but the Notes will not be subject to redemption upon the occurrence of a Credit Event unless and until the occurrence of a Credit Event Determination Date in respect of the Relevant Number of Reference Entities, the final of such Relevant Number of Reference Entities in respect of which this occurs being the "nth". On the occurrence of a Credit Event in relation to such "nth" Reference Entity, payments or deliveries, as applicable, under the Nth-to-Default Credit Linked Notes will then be determined by reference to such Credit Event. This involves an investor taking credit risk in relation to each Reference Entity specified in the basket of Reference Entities to which the Notes relate.

Increased credit risk is associated with "Nth-to-Default" Credit Linked Notes. The credit risk to Noteholders may further be increased as a result of the concentration of Reference Entities in a particular industry sector or geographic area or the exposure of the Reference Entities to similar financial or other risks.

#### *ISDA Credit Derivatives Definitions.*

The Additional Terms and Conditions for Credit Linked Notes include terms based on the 2014 Credit Derivatives Definitions (the "**2014 ISDA Definitions**"). While there are many similarities between the terms used in such Additional Terms and Conditions for Credit Linked Notes and the terms used in the 2014 ISDA Definitions, there are a number of differences. In particular, the Bank has determined that certain provisions of the 2014 ISDA Definitions, which are intended for use by market participants in "over the counter" transactions, require amendment when incorporated in the terms of an offering of securities such as the Credit Linked Notes and amendments have also been made to reflect any hedging arrangements the Bank may put in place. The terms and conditions of the Credit Linked Notes also afford the Calculation Agent discretion in respect of determining certain terms that differ in substance in comparison to corresponding terms contemplated in the 2014 ISDA Definitions, including, without limitation, the date on which a Credit Event Determination Date, the Credit Settlement Date or in certain circumstance, the Valuation Date will fall, the applicability of the Settlement Suspension provisions or determination of the Quotation Amount. The terms and conditions of the Credit Linked Notes also afford the Issuer (or an Affiliate) discretion in respect of determining the applicability of the Fallback Settlement Method (which may be determined, inter alia, by reference to the Hedging Arrangements) which therefore also differs in substance in comparison to the applicability of the Fallback Settlement Method under the 2014 ISDA Definitions. Therefore, a prospective investor should understand that the complete terms and conditions of

the Credit Linked Notes are as set out in this Base Prospectus and the applicable Final Terms and that the 2014 ISDA Definitions are not incorporated by reference herein. Consequently, investing in Credit Linked Notes is not necessarily equivalent to investing in a credit default swap that incorporates the 2014 ISDA Definitions.

While ISDA has published and, where applicable, supplemented 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, including Credit Linked Notes are subject to further evolution. Past events have shown that the view of market participants may differ as to how ISDA Credit Derivatives 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. Furthermore, there can be no assurances that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Bank or the Noteholders.

*Amendment of Credit Linked Conditions in accordance with market convention.*

The Calculation Agent may from time to time amend any provision of the Additional Terms and Conditions for Credit Linked Notes:

- (i) to incorporate and/or reflect further or alternative documents or protocols from time to time published by ISDA with respect to the documentation, trading or settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees; and/or
- (ii) in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or desirable to reflect or account for market practice for credit derivative transactions and/or reflect the Hedging Arrangements of the Bank or any of its Affiliates.

*Hedging Disruption.*

The Additional Terms and Conditions for Credit Linked Notes provide that in the event that (a) the Bank and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Bank issuing and performing its obligations with respect to the Notes or to realise, recover or remit the proceeds of any such transaction(s) or asset(s), (b) the Reference Obligation no longer exists or other circumstances exist as described in paragraphs (a) or (b) of the definition of Substitution Event and no Substitute Reference Obligation is determined (which the Calculation Agent may determine not to do in its sole discretion), (c) the existing Hedging Arrangements of the Bank or any Affiliate, or the ability of the Bank or any Affiliate to enter into new Hedging Arrangements, are affected by any change in any standard terms used in any relevant market (such standard terms including, without limitation, any version of the ISDA Credit Derivative Definitions, any supplements thereto or any other terms or documentation that may be published by ISDA from time to time, and such a change including, without limitation, any amendment to or reinterpretation of any standard terms or the publication or introduction of new standard terms) or in market practice in any relevant market, or (d) the Bank and/or any of its Affiliates or agents 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 risk of the Bank issuing and performing its obligations with respect to the Notes, or (B) realize, recover or remit the proceeds of any such transaction(s) or asset(s); unless any such materially increased amount is incurred solely due to the deterioration of the creditworthiness of the Bank and for any of its Affiliates or agents, in the case of any of (a), (b), (c) or (d) (each a “**Hedging Adjustment Event**”) the Bank may (i) make such adjustment to the Conditions of the Notes (including, for the avoidance of doubt, the Credit Linked Conditions) as the Bank determines is appropriate to account for such Hedging Adjustment Event and determine the effective

date of that adjustment or (ii) if the Bank determines that no adjustment that it could make would be sufficient (in the Bank's opinion) to reflect the occurrence of the relevant Hedging Adjustment Event, the Bank may redeem all but not some only of the Notes as of such date as the Calculation Agent shall determine by notice given to the Noteholders, each Note being redeemed at the Early Redemption Amount.

*Physical Settlement Matrix.*

Where so specified in the applicable Final Terms, the Credit Linked Notes may incorporate certain specific terms (as amended pursuant to Credit Linked Condition 22) of the Credit Derivatives Physical Settlement Matrix as published by ISDA from time to time. The version of the Credit Derivatives Physical Settlement Matrix from which such terms are incorporated is as set out in the applicable Final Terms. Other than those terms specifically contemplated in Credit Linked Condition 22 and the applicable Final Terms, none of the other terms contemplated in the Credit Derivatives Physical Settlement Matrix shall be incorporated into the terms of the Credit Linked Notes.

*Cheapest to deliver.*

Following a Credit Event Determination Date, subject to Auction Settlement procedures, if applicable, the Bank is entitled to select an Obligation for delivery which has the lowest value in the market at the relevant time, provided such obligation satisfies certain specifications and limits for qualification as a Deliverable Obligation or Obligation (as the case may be).

*Increase of risk due to the replacement of a Reference Entity or succession.*

Reference Entities may be replaced due to events beyond the control of the Bank, such as the merger of a corporate entity with another entity, in which case the Reference Entity may be replaced by its successor. Each such replacement may result in an increase in the risks involved for the Noteholders.

*Concentration risks in case of Credit Linked Notes referring to a portfolio of Reference Entities.*

The probability of the occurrence of Credit Events with respect to the Reference Entities in a portfolio (for the avoidance of doubt including in the case of Nth-to-Default Credit Linked Notes) may depend on the degree of diversification among the Reference Entities. The composition of the portfolio of Reference Entities may change after the Issue Date. Such change may result in an increase of concentration among the Reference Entities and therefore also in an increase in the risks associated with such concentration.

*Amendment of Credit Linked Conditions in accordance with the terms of the Notes.*

In addition to any amendments the Calculation Agent may make from time to time to the provisions of the Additional Terms and Conditions for Credit Linked Notes in accordance with market convention (described above), the Additional Terms and Conditions for Credit Linked Notes themselves contain certain provisions which permit the Calculation Agent in certain circumstances to make certain adjustments to such Additional Terms and Conditions for Credit Linked Notes. Such adjustments may affect both payments made to Noteholders under the Credit Linked Notes and the timing of any such payments.

*Risks relating to Auction Settlement of Credit Linked Notes.*

*Auction Settlement.*

Where Auction Settlement is specified as the applicable Settlement Method in respect of a Series of Notes 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 Transaction Auction Settlement Terms, a form of which will be published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any

successor website thereto) from time to time and may be amended from time to time. The Auction Final Price determined pursuant to an auction may be less than the market value that would otherwise have been determined in respect of the relevant Reference Obligation. The Bank and the Noteholders may have little or no influence in the outcome of any such auction.

*Role of the Credit Derivatives Determinations Committee.*

Credit Derivative Determinations Committees were established pursuant to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 12 March 2009) to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. Credit Derivatives Determination Committees also apply under the 2014 ISDA Definitions and the Additional Terms and Conditions for Credit Linked Notes as set out in Annex 4 of this Base Prospectus therefore reflect such auction procedures. Investors should consult the Bank if they require a copy of the 2014 ISDA Definitions. In respect of a Credit Event relating to a Credit Linked Note, prospective purchasers should note that the Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Credit Event has occurred, which obligations are to be valued and whether an auction should take place in accordance with and as more fully described in the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof. Consequently, payments on the Credit Linked Notes and the timing of any such payments may be affected by any such relevant decisions if Auction Settlement is specified as the applicable Settlement Method for a series of Notes in the relevant Final Terms.

*Credit Event, Succession Event and Successor Backstop Dates.*

In respect of a Credit Event relating to a series of Credit Linked Notes, a Credit Event may not be triggered unless a request is submitted to ISDA for the relevant Credit Derivatives Determinations Committee to consider whether the relevant event constitutes a Credit Event within 60 calendar days of the occurrence of such potential Credit Event unless a Credit Event Determination Date has already occurred with respect to such event.

For the purposes of the succession provisions the look-back period is 90 calendar days and functions similarly. These provisions mean that there is a time limit on the ability to act on a Credit Event or succession and that it is possible that the Credit Linked Notes could be affected by a Credit Event or succession that took place prior to the Trade Date.

*Settlement Suspension, Adjustments and Interest Provisions.*

Credit Linked Condition 10 permits the Calculation Agent, at its option and only in the circumstances described in Credit Linked Condition 10, to determine that the applicable timing requirements of the Credit Linked Conditions (as determined by the Calculation Agent) 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. During such Suspension Period none of the Bank, the Calculation Agent or any Noteholder are obliged to, nor are they entitled to, take any action in connection with the settlement of the Credit Linked Notes. Following the occurrence of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal, as applicable, the relevant timing requirements of the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following the occurrence of such event.

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 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).



In the case of interest bearing Credit Linked Notes, the Bank shall be obliged to pay interest calculated in accordance with Notes Condition 4 provided that:

- (a) if a Suspension Period 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
- (b) if an Interest Payment Date falls in a Suspension Period, payment of the relevant interest will be deferred until after the end of the Suspension Period.

#### *Partly Paid Notes.*

The Bank 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 its investment.

#### *Variable rate Notes with a multiplier or other leverage factor.*

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

#### *Inverse Floating Rate Notes.*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

#### *Fixed/Floating Rate Notes.*

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

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

*Notes issued at a substantial discount or premium may experience significant price volatility in response to changes in interest rates.*

The prices at which Zero Coupon Notes, as well as other Notes issued at a substantial discount or premium from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in

relation to general changes in interest rates than do the prices for more conventional interest-bearing securities of comparable maturities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

### **Additional Risk Factors**

#### ***Notes not in physical form.***

Unless the Bearer Global Notes or Global Certificates are exchanged for definitive Notes, which exchange will only occur in the limited circumstances described below in “*Summary of Provisions Relating to the Notes While in Global Form*”, the beneficial ownership of the Notes will be recorded in book-entry only form with Euroclear and Clearstream, Luxembourg or another agreed clearing system. The fact that the Notes are not represented in physical form could, among other things:

- result in payment delays on the Notes because distributions on the Notes will be sent by, or on behalf of, the applicable Issuer to Euroclear or Clearstream, Luxembourg or another agreed clearing system instead of directly to Noteholders;
- make it difficult for Noteholders to pledge the Notes as security if Notes in physical form are required or necessary for such purposes; and
- hinder the ability of Noteholders to resell the Notes because some investors may be unwilling to buy Notes that are not in physical form.

#### ***Canadian Usury Laws.***

All Notes issued under the Programme are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The *Criminal Code* (Canada) prohibits the receipt of “interest” at a “criminal rate” (namely, an effective annual rate of interest of 60%). Accordingly, the provisions for the payment of interest or a Redemption Amount in excess of the aggregate principal amount of the Notes may not be enforceable if the provision provides for the payment of “interest” in excess of an effective annual rate of interest of 60%.

#### ***Risks related to the Notes generally.***

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

#### ***Modification and waivers.***

The Amended and Restated Agency Agreement dated December 12, 2018 between the Issuer, The Bank of Nova Scotia, London Branch as Fiscal Agent, Principal Paying Agent, Registrar, Calculation Agent and Transfer Agent, The Bank of Nova Scotia, Global Wholesale Operations as Paying Agent and Transfer Agent and The Bank of Nova Scotia, Singapore Branch as Paying Agent (as amended or supplemented from time to time, the “**Agency Agreement**”) contains provisions for calling meetings of Noteholders to consider matters affecting their interest generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who do not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the Issuer, and the Fiscal Agent without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the Issuer, and the Fiscal Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons, provided that an amendment or variance that may affect the eligibility of the Bail-inable Notes to continue

to be treated as TLAC under TLAC Guidelines shall be of no effect unless the prior approval of the Superintendent has been obtained.

*Investors in Bearer Notes who hold less than the minimum Specified Denomination may be unable to sell their Bearer Notes and may be adversely affected if definitive Notes are subsequently to be issued.*

In relation to any issue of Bearer Notes which has denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Bearer Notes may be traded in the clearing systems in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Bearer Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a Noteholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Bearer Note in respect of such holding (should definitive Bearer Notes be provided) and would need to purchase a principal amount of Bearer Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination if definitive Bearer Notes are issued to such Noteholder.

*Tax treatment.*

The tax treatment of any amount to be paid in relation to the Notes to a Noteholder may reduce such Noteholder's effective yield on the Notes. In particular, the tax treatment of certain types of Reference Item Linked Notes is uncertain. Prospective investors should consult their tax advisors about their own tax situation.

*U.S. Hiring Incentives to Restore Employment Act withholding may affect payments on the Notes.*

The U.S. Hiring Incentives to Restore Employment Act (the "**HIRE Act**") imposes 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 (each such instrument, a "**Specified Security**"). 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 "*Certain Tax Legislation Affecting the Notes – U.S. Dividend Equivalent Withholding (Section 871(m)/HIRE Act)*".

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 "*Certain Tax Legislation Affecting the Notes – U.S. Dividend Equivalent Withholding (Section 871(m)/HIRE Act) – Foreign Account Tax Compliance Act*".

*No obligation to maintain listing.*

Not all Notes will be listed on the SGX-ST and the Issuer may, in certain circumstances, seek to delist Notes which are listed on the SGX-ST or another securities exchange or market, provided that in such cases the Issuer will be required to use its reasonable endeavours to obtain and maintain a listing of such Notes on an alternative stock exchange or exchanges as agreed between the Issuer and the Dealers. These circumstances include any future law, rule of the SGX-ST or any other securities exchange on which Notes are listed that the Issuer or any of its Affiliates acting in good faith determines are impractical or unduly burdensome in order to maintain the continued listing of any Notes issued under the Programme on the SGX-ST (see item 11 in "*General Information*").

In these circumstances, the Issuer may determine that it is unduly burdensome to maintain such listing and seek to terminate the listing of such Notes issued by it provided it uses all reasonable endeavours to seek an alternative admission to listing, trading and/or quotation of such Notes by another

listing authority, securities exchange and/or quotation system that it deems appropriate. However, if such alternative listing is not available or, in the opinion of the Issuer is impractical or unduly burdensome, an alternative listing may not be obtained.

Although there is no assurance as to the liquidity of any Notes as a result of the listing on SGX-ST, delisting such Notes may have a material effect on the ability of investors to (i) continue to hold such Notes or (ii) resell the Notes in the secondary market.

#### *Insolvency procedures.*

In the event that the Issuer becomes insolvent, proceedings will be generally governed by the insolvency laws of the Issuer's jurisdiction of incorporation (the "**Relevant Insolvency Jurisdiction**"). The insolvency laws of the Relevant Insolvency Jurisdiction may be different from the insolvency laws of an investor's home jurisdiction and the treatment and ranking of holders of Notes issued by the Issuer and the Issuer's other creditors and shareholders under the insolvency laws of a Relevant Jurisdiction may be different from the treatment and ranking of holders of those Notes and the Issuer's other creditors and shareholders if the Issuer was subject to the insolvency laws of the investor's home jurisdiction.

#### *Changing Regulatory Landscape.*

While the Bank actively monitors global regulatory developments, such as capital and liquidity requirements under the Basel Committee on Banking Supervision global standards, over-the-counter derivatives reform, consumer protection measures and specific financial reforms, including the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, no assurance can be given as to the impact of any possible future regulatory development on the financial performance of the Bank or the pricing of Notes issued under the Programme.

#### **EU financial transaction tax**

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**"), for a Directive for a common financial transaction 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.

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

#### *Change of law.*

The terms and conditions of the Notes are based on the laws of the Province of Ontario and the federal laws of Canada applicable therein in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario or the federal laws of Canada applicable therein or elsewhere globally, or administrative practice after the date of this Prospectus and before the date on which the relevant Notes are issued. Such changes in law include, but are not limited to, the introduction of the “bail-in” regime which may affect the rights of holders of securities issued by the Issuer, including the Notes, and changes in statutory, tax and regulatory regimes during the life of the Notes. See “*Notes may be subject to write-off, write-down, or conversion under current and proposed Canadian resolution powers*” above.

Furthermore, any amendment to, or change in, the TLAC Guideline or any replacement thereof, or any change in the application or official interpretation of the TLAC Guideline or any replacement thereof may, in certain circumstances, result in the Bank having the option to redeem the Bail-inable Notes. See “*Risks related to the structure of a particular issue of Notes – TLAC Disqualification Event Redemption*”.

*The return on an investment in Notes will be affected by charges incurred by investors.*

An investor’s total return on an investment in Notes will be affected by the level of fees charged to the investor, including fees charged to the investor as a result of the Notes being held in a clearing system. Such fees may include charges for opening accounts, transfers of securities, custody services and fees for payment of principal, interest or other sums due under the terms of the Notes. Investors should carefully investigate these fees before making their investment decision.

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

The London Inter-Bank Offered Rate (“**LIBOR**”), the Euro Interbank Offered Rate (“**EURIBOR**”), other interbank offered rates (“**IBORs**”) are, and other types of indices, including (but not limited to) indices comprised of interest rates, equities, commodities, commodity indices, exchange traded products, foreign exchange rates, funds and combinations of any of the preceding types of indices which may be deemed to be “benchmarks”, which have been the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Key international regulatory initiatives relating to the reform of benchmarks include IOSCO's Principles for Financial Benchmarks<sup>1</sup> (the “**IOSCO Principles**”) and Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directive 2008/48/EC and 2014/17/EC and Regulation (EU) No 596/2014 (the “**Benchmarks Regulation**”). The IOSCO Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering (among other things) governance and accountability as well as the quality, integrity and transparency of benchmark design, determination and methodologies. A review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Principles noted that there have been significant but mixed progress on implementation of IOSCO Principles but that as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future.

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016. Most of the provisions of the Benchmarks Regulation have applied since 1 January 2018 with the exception of certain provisions (mainly on critical benchmarks) that applied from 30 June 2016. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in

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<sup>1</sup> Principles for Financial Benchmarks – Final Report - FR07/13, July 2013, as recently supplemented by IOSCO's Report on Guidance on the IOSCO Principles for Financial Benchmarks FR 13/2016 providing guidance on the statement of compliance.

relation to the administration of "benchmarks" and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, such as EURIBOR, applies to many other indices (including "proprietary" indices or, potentially, baskets, portfolios or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments for which a request for admission to trading on a trading venue has been made, or which are traded on a trading venue (EU regulated market, EU multilateral trading facility ("MTF"), EU organised trading facility ("OTF")) or via a systematic internaliser or to measure the performance of certain investment funds with the purpose of tracking the return or defining the asset allocation or computing the performance fees. Different types of benchmark (critical benchmarks, significant benchmarks, non-significant benchmarks and interest rate benchmarks, commodity benchmarks, regulated data benchmarks) are subject to some variations to take into account their characterisation.

The Benchmarks Regulation could have a material impact on any Notes for which a request for admission to trading on a trading venue has been made, or which are traded on a trading venue or via a "systematic internaliser" linked to a "benchmark" for Benchmark Regulation purposes, including in any of the following circumstances:

- subject to any applicable transitional provisions, an index which is a "benchmark" may not be used by a supervised entity in certain ways if its administrator, or the benchmark (in the case of benchmarks provided by administrators located outside of the EU), is not entered in or is removed from the European Securities and Markets Authority's ("ESMA") register of Benchmarks Regulation approved administrators/benchmarks (for example if the administrator does not obtain or retain authorisation or registration under the Benchmarks Regulation, or, if based in a non-EU jurisdiction, the administrator does not obtain or retain recognition or endorsement and the administrator/benchmark does not benefit from equivalence); and
- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmarks Regulation.

Any of the above changes or any other consequential changes to any benchmark as a result of international, national or other reforms, initiatives or investigations or the general increased regulatory scrutiny of "benchmarks", could potentially have a material adverse effect on the relevant benchmark or have other unforeseen consequences including, without limitation, that such changes could:

- affect the level of the published rate or the level of the benchmark, which may have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level;
- increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with such regulations or requirements;
- discourage market participants from continuing to administer or contribute to certain "benchmarks";
- trigger changes in the rules or methodologies used in certain "benchmarks";
- lead to the disappearance of certain "benchmarks" (or certain currencies or tenors of benchmarks); or
- have other adverse effects or unforeseen consequences.

Any such consequences could have a material adverse effect on the value of and return on any Notes and/or could lead to the Notes being de-listed, adjusted, redeemed early, subject to discretionary

valuation by the Calculation Agent or otherwise impacted depending on the particular "benchmark" and the applicable terms of the Notes.

A benchmark licence may also be required for the issuance or calculation of amounts payable under any Notes referencing a benchmark. To the extent any such licence is not obtained or retained, it may not be possible for the Notes to reference the benchmark and the Notes may be adjusted or redeemed early or otherwise impacted depending on the particular "benchmark" and the applicable terms of the Notes.

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

*Future discontinuance of an –IBOR may adversely affect the value of the Notes which reference such benchmark.*

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if an –IBOR were discontinued or otherwise unavailable, amounts payable on the Notes which reference such –IBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes which may (depending on market circumstances at the relevant time) not operate as intended. Depending on the manner in which the relevant –IBOR rate is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the –IBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) where the applicable fall-back is to use the rate which applied in the previous period when the relevant –IBOR was available, result in the effective application of a fixed rate based on the rate which applied in the previous period or (iii) result in the Calculation Agent determining the relevant rate in its discretion. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, the Notes.

### ***Risks related to the market generally***

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

*The secondary market generally; current lack of liquidity.*

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

Illiquidity may have a severely adverse effect on the market value of Notes and investors may suffer losses on the Notes in secondary market transactions even if there is no decline in the performance of the Issuer. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of Investors.

*Exchange rate risks and exchange controls.*

The Issuer will pay principal and interest on the Notes in the Specified Currency as set out in the applicable Final Terms. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (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. As a result, investors may receive less interest or principal than expected, or no interest or principal or receive payments in a significantly devalued Specified Currency.

*Certain currencies are not freely convertible; are subject to restrictions on transfer; and/or may be subject to other limitations.*

Notes may be issued in one or more currencies that are not freely convertible into other currencies, or are subject to restrictions on remittance and transfer. Instruments may also be issued in one or more currencies that are limited in their availability, which in turn may affect the liquidity of Instruments denominated in such currencies and the Issuer's ability to source such currencies to service the Notes. In addition, unanticipated changes in government regulation may further impact the availability and convertibility of certain currencies, which would impact the suitability of such Notes as well as the Issuer's ability to source such currencies to service the Notes.

*Notes denominated in Renminbi are subject to additional risks.*

Notes denominated in Renminbi ("**RMB Notes**") may be issued under the Programme. Set out below is a description of the principal risks which may be relevant to an investor in RMB Notes:

*Renminbi or "**RMB**" (the lawful currency of the Republic of China "**PRC**") is not freely convertible and there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of RMB Notes.*

Renminbi is not freely convertible at present (see "*PRC Currency Controls*" below). The government of the PRC (the "**PRC Government**") continues to regulate conversion between RMB and foreign currencies, including the Hong Kong dollar, despite the significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

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

Remittances of RMB into or outside the PRC may in certain cases require approval by competent authorities or relevant banks. There is no assurance that the Issuer will obtain the approvals required for the remittance of RMB into or outside the PRC. In relation to the instances where the PRC Government has gradually liberalised control over cross border remittance of RMB, there is no assurance that the PRC Government will continue such liberalisation in the future, those schemes for RMB cross-border utilisation will not be discontinued, 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. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of RMB for payment of transactions categorised as capital accounts items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

In the event that funds cannot be repatriated outside the PRC in RMB, this may affect the overall availability of RMB 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 RMB Notes and the Issuer's ability to source RMB outside the PRC to service such RMB Notes.*

As a result of the restrictions by the PRC Government on cross-border RMB fund flows, the availability of RMB outside the PRC is limited.

While the People's Bank of China ("**PBoC**") has entered into agreements on the clearing of RMB business with financial institutions in a number of financial centres and cities (the "**RMB Clearing Banks**"), the current size of RMB denominated financial assets outside the PRC is limited. RMB business participating banks do not have direct RMB 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, including open positions resulting from conversion services for corporations relating to cross border trade settlement. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from outside the PRC to square such open positions.

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 agreements 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. If the Issuer is unable to source such RMB, the Issuer's obligation to make a payment in RMB under the terms of the Notes may be replaced by an obligation to pay such amount in the Relevant Currency (as defined below) if "RMB Currency Event" is selected as being applicable in the applicable Final Terms.

*An investment in RMB Notes is subject to exchange rate risks.*

The value of RMB against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. Except in the limited circumstances as described under Condition 6, all payments of interest and principal with respect to RMB Notes will be made in RMB. As a result, the value of these RMB payments may vary with changes in the prevailing exchange rates in the marketplace. If the value of RMB depreciates against the U.S. dollar or another foreign currency, the value of an investment in RMB Notes in U.S. dollar or such other applicable foreign currency terms will decline.

In the event that access to RMB becomes restricted to the extent that, by reason of RMB Inconvertibility, RMB Non-transferability or RMB Illiquidity (as defined in Condition 6(k)) the Issuer is unable, or it is impractical for it, to pay interest or principal in RMB, the Conditions allow the Issuer to make payment in U.S. dollars or other foreign currencies at the prevailing spot rate of exchange, all as provided in more detail in Condition 6(k). As a result, the value of these RMB payments may vary with the prevailing exchange rates in the marketplace. If the value of RMB depreciates against the U.S. dollar or other foreign currencies, the value of a holder's investment in U.S. dollar or other 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 Conditions of such RMB Notes.*

Investors may be required to provide certification and other information (including RMB account information) in order to be allowed to receive payments in RMB in accordance with the RMB clearing and settlement system for participating banks in the RMB Settlement Centre(s) (as defined in Condition 6(k)).

Except in the limited circumstances stipulated in Condition 6(k), all payments to investors in respect of RMB Notes will be made solely (i) for as long as such RMB Notes are represented by an Instrument in global form held with the common depository for Euroclear and Clearstream, Luxembourg or any alternative clearing system by transfer to an RMB bank account maintained in the RMB Settlement Centre(s) (as defined in Condition 6(k) in accordance with prevailing rules and procedures of Euroclear and Clearstream Banking, Luxembourg or any alternative clearing system as applicable, or (ii) for so long as such RMB Notes are in definitive form, by transfer to an RMB bank account maintained in the RMB Settlement Centre(s) in accordance with prevailing rules and regulations. Other than as described under the Conditions, the Issuer cannot be required to make payment by any other means (including, but not limited to, in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

*Taxation.*

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

*Fixed Rate Notes bear interest at a fixed rate, which may affect the secondary market value and/or the real value of the Notes over time due to fluctuations in market interest rates and the effects of inflation.*

Fixed Rate Notes bear interest at a fixed rate. Investors should note that (i) if market interest rates start to rise then the income to be paid on Fixed Rate Notes might become less attractive and the price the investors may get if they sell such Fixed Rate Notes could fall (however, the market price of the Fixed Rate Notes has no effect on the interest amounts due on the Fixed Rate Notes or what investors will be due to be repaid on the Maturity Date if the Fixed Rate Notes are held by the investor until they mature) and (ii) inflation will reduce the real value of the Fixed Rate Note over time which may affect what investors can buy with the investments in the future and which may make the fixed interest rate on the Fixed Rate Notes less attractive in the future.

*Credit ratings might not reflect all risks and are subject to change.*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings might not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Investors may suffer losses if a credit rating assigned to the Notes does not reflect the then creditworthiness of such Note.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in

the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the ratings will be disclosed in the Final Terms.

There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. In the event that a rating assigned to the Notes or the Issuer is subsequently suspended, lowered or withdrawn for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes, the Issuer may be adversely affected, the market value of the Notes is likely to be adversely affected and the ability of the Issuer to make payments under the Notes may be adversely affected.

#### *Interest of Dealers.*

Certain Dealers and their affiliates have engaged, and may in the future engage, in investment bank and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business. Certain of the Dealers and their affiliates may also have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their Affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's Affiliates. Certain Dealers or their Affiliates that have a lending relationship with the Issuer and routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their Affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their Affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer may sell Notes to one or more of the Dealers including Scotiabank Europe plc and The Bank of Nova Scotia, Hong Kong Branch. Scotiabank Europe plc is a wholly-owned subsidiary of the Bank and The Bank of Nova Scotia, Hong Kong Branch is a branch of the Bank. The terms of the Programme were negotiated at arms-length between the Issuer and the Dealers. In addition to any proceeds from any offering of the Notes under the Programme being applied, directly or indirectly for the benefit of Scotiabank Europe plc and The Bank of Nova Scotia, Hong Kong Branch in its capacity as a wholly-owned direct subsidiary of the Bank, it will receive a portion of any fees and commissions payable in connection with any such offering of Notes in its capacity as a Dealer.

## THE BANK OF NOVA SCOTIA

### History and Development of the Bank

The Bank was granted a charter under the laws of the Province of Nova Scotia in 1832 and commenced operations in Halifax, Nova Scotia in that year. Since 1871, the Bank has been a chartered bank under the Bank Act. The Bank is a Schedule I bank under the Bank Act and the Bank Act is its charter. The head office of the Bank is located at 1709 Hollis Street, Halifax, Nova Scotia, B3J 1W1 and its executive offices are at Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1. A copy of the Bank's by-laws is available on [www.sedar.com](http://www.sedar.com).

The Bank is Canada's international bank and a leading financial services provider in the Americas. The Bank is dedicated to helping its 25 million customers become better off through a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets.

Certain information regarding the Bank is incorporated by reference into this Prospectus. See "*Documents Incorporated by Reference*".

### Principal Activities and Markets

A profile of each of the Bank's major business lines is discussed below and additional information on the Bank's business lines is available in the Management's Discussion and Analysis for the year ended October 31, 2018, on pages 38 to 53 inclusive, accompanying the Bank's audited consolidated financial statements for the fiscal year ended October 31, 2018, incorporated by reference herein.

*The Bank's three business operating segments are: Canadian Banking, International Banking and Global Banking and Markets*

Canadian Banking provides a full suite of financial advice and banking solutions, supported by an excellent customer experience, to over 10 million Retail, Small Business, Commercial Banking and Wealth Management customers. It serves these customers through its network of 955 branches and more than 3,644 automated banking machines ("ABMs"), as well as internet, mobile and telephone banking and specialized sales teams.

International Banking has a well-established, diversified franchise that serves more than 15 million Retail, Corporate, and Commercial customers across the Bank's footprint. These customers are supported by over 58,000 employees, more than 1,800 branches and a network of contact and business support centres.

Global Banking and Markets ("GBM") conducts the Bank's wholesale banking and capital markets business with corporate, government and institutional investor clients. GBM is a full-service wholesale bank in priority markets of Canada, the United States and Latin America. GBM also offers a range of products and services in select markets in Europe and Asia-Pacific.

#### *Competition*

The Canadian banking system consists of numerous banks and other financial institutions. Certain large Canadian banks are required by law to be widely held because their equity exceeds a threshold of \$12 billion. These banks compete nationwide through extensive branch networks, ABMs, telephone, internet and mobile banking offerings. In total, the Canadian system includes 32 domestic banks, 22 foreign banks and more than 300 credit unions and *caisses populaires*. More broadly, the Canadian financial services industry includes thousands of institutions such as life insurance companies, property and casualty insurers, consumer finance companies, independent investment dealers and independent retail mutual fund management companies.

The Bank provides customers with a broad range of advice, products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets. In providing these services and products, the Bank competes with local and international banks and other financial institutions.

Competition is reflected in the range of products and services offered, innovation in features, services, technology and delivery, as well as the various pricing schemes adopted. Canada ranks 7th in the world in terms of its financial market development, according to the 2017-18 Global Competitiveness survey of the World Economic Forum. Additionally, a greater number of service providers in the Canadian marketplace are offering alternative channels and competition in the payments space. The increased number of new entrants into the financial services sector in recent years has also underscored an enhanced level of competition.

## Organizational Structure

### Principal Subsidiaries<sup>(1)</sup>

The following table presents the major operating subsidiaries the Bank owns, directly or indirectly, as at October 31, 2018. All of these subsidiaries are included in the Bank's consolidated financial statements.

As at October 31 (\$ millions)	Principal office	Carrying value of shares	
		2018	2017
<b>Canadian</b>			
1832 Asset Management L.P.	Toronto, Ontario	\$ 1,524	\$ 2,006
BNS Investments Inc.	Toronto, Ontario	13,870	13,551
Montreal Trust Company of Canada	Montreal, Quebec		
National Trust Company <sup>(2)</sup>	Stratford, Ontario	415	449
Roynat Inc.	Calgary, Alberta	432	239
Scotia Capital Inc.	Toronto, Ontario	1,391	1,024
Scotia Dealer Advantage Inc.	Burnaby, British Columbia	592	567
Scotia Life Insurance Company	Toronto, Ontario	219	189
Scotia Mortgage Corporation	Toronto, Ontario	588	615
Scotia Securities Inc.	Toronto, Ontario	40	34
Tangerine Bank	Toronto, Ontario	3,525	3,488
Jarislowky, Fraser Limited	Montreal, Quebec	947	-
MD Financial Management Inc.	Ottawa, Ontario	2,612	-
<b>International</b>			
Scotiabank Colpatria S.A. (formerly Banco Colpatria Multibanca Colpatria S.A.) (51%) <sup>(3)</sup>	Bogota, Colombia	1,221	1,160
The Bank of Nova Scotia Berhad	Kuala Lumpur, Malaysia	318	303
The Bank of Nova Scotia International Limited	Nassau, Bahamas	19,312	18,223
BNS Asia Limited	Singapore		
The Bank of Nova Scotia Trust Company (Bahamas) Limited	Nassau, Bahamas		
Grupo BNS de Costa Rica, S.A.	San Jose, Costa Rica		
Scotiabank & Trust (Cayman) Ltd.	Grand Cayman, Cayman Islands		
Scotiabank (Bahamas) Limited	Nassau, Bahamas		
Scotiabank (British Virgin Islands) Limited	Road Town, Tortola, B.V.I.		
Scotiabank (Hong Kong) Limited	Hong Kong, China		
Scotiabank (Ireland) Designated Activity Company	Dublin, Ireland		
Scotiabank (Turks and Caicos) Ltd.	Providenciales, Turks and Caicos Islands		
BNS International (Panama) S.A.	Panama City, Panama		
Grupo Financiero Scotiabank Inverlat, S.A. de C.V. (97.4%)	Mexico, D.F., Mexico	3,901	3,544
Nova Scotia Inversiones Limitada	Santiago, Chile	5,100	3,325
Scotiabank Chile S.A (75.5%)	Santiago, Chile		
Scotia Holdings (US) Inc. <sup>(4)</sup>	New York, New York		
Scotiabanc Inc.	Houston, Texas		
Scotia Capital (USA) Inc. <sup>(4)(5)</sup>	New York, New York		
Scotia International Limited	Nassau, Bahamas	635	642
Scotiabank Anguilla Limited	The Valley, Anguilla		
Scotiabank Brasil S.A. Banco Multiplo	Sao Paulo, Brazil	386	223
Scotiabank Caribbean Holdings Ltd.	Bridgetown, Barbados	1,847	1,710
Scotia Group Jamaica Limited (71.8%)	Kingston, Jamaica		
The Bank of Nova Scotia Jamaica Limited	Kingston, Jamaica		
Scotia Investments Jamaica Limited	Kingston, Jamaica		
Scotiabank (Belize) Ltd.	Belize City, Belize		
Scotiabank Trinidad and Tobago Limited (50.9%)	Port of Spain, Trinidad and Tobago		
Scotiabank (Panama) S.A.	Panama City, Panama		
Scotiabank Uruguay S.A.	Montevideo, Uruguay	490	496

Scotiabank de Puerto Rico	San Juan, Puerto Rico	<b>1,555</b>	1,395
Scotiabank El Salvador, S.A. (99.4%)	San Salvador, El Salvador	<b>686</b>	659
Scotiabank Europe plc	London, United Kingdom	<b>2,432</b>	2,400
Scotiabank Peru S.A.A. (98.05%)	Lima, Peru	<b>4,877</b>	4,518

(1)The Bank (or immediate parent of an entity) owns 100% of the outstanding voting shares of each subsidiary unless otherwise noted.

(2)Effective October 29, 2018, National Trustco Inc. was dissolved and National Trust Company is held by the Bank.

(3)Effective June 15, 2018, the name was changed to Scotiabank Colpatria S.A.

(4)The carrying value of this subsidiary is included with that of its parent, BNS Investments Inc.

(5)The carrying value of this subsidiary is included with that of its parent, Scotia Holdings (US) Inc.

Subsidiaries may have different reporting dates from that of the Bank, being October 31 annually. Dates may differ for a variety of reasons including local reporting requirements or tax laws. In accordance with our accounting policies, for the purpose of inclusion in the consolidated financial statements of the Bank, adjustments are made where significant for subsidiaries with different reporting dates.

## Directors and Board Committees of the Bank

The Directors of the Bank as of the date hereof are as follows:

<b>Name</b>	<b>Board Committee Memberships</b>	<b>Principal Occupation/ Outside Activities</b>
Nora A. Aufreiter Toronto, Ontario, Canada (Director since August 25, 2014)	CGC HRC	Corporate Director and a former Senior Partner and leader of McKinsey & Company's Toronto office
Guillermo E. Babatz Mexico City, Mexico (Director since January 28, 2014)	HRC RC	Managing Partner of Atik Capital, S.C., an advisory firm specializing in structured finance
Scott B. Bonham Atherton, California, U.S.A. (Director since January 25, 2016)	ACRC CGC	Corporate Director and co-founder of Intentional Capital, a privately held real estate asset management company
Charles H. Dallara, Ph.D. Oak Hill, Virginia, U.S.A. (Director since September 23, 2013)	ACRC RC	Chairman of the Americas, Partner and a member of the board of directors of Partners Group Holding AG, a private market investment and asset management firm
Tiff Macklem, Ph.D. Toronto, Ontario, Canada (Director since June 22, 2015)	ACRC RC - Chair	Dean of the Rotman School of Management at the University of Toronto
Thomas C. O'Neill Toronto, Ontario, Canada (Director since May 26, 2008)	ACRC CGC RC HRC	Chairman of the Board, The Bank of Nova Scotia and Corporate Director

<b>Name</b>	<b>Board Committee Memberships</b>	<b>Principal Occupation/ Outside Activities</b>
Eduardo Pacheco Bogota, Colombia (Director since September 25, 2015)	RC	Chief Executive Officer and Director of Mercantil Colpatria S.A.
Michael D. Penner Westmount, Quebec, Canada (Director since June 26, 2017)	ACRC CGC	Corporate Director
Brian J. Porter Toronto, Ontario, Canada (Director since April 9, 2013)	None	President and Chief Executive Officer of the Bank
Una M. Power Vancouver, British Columbia, Canada (Director since April 12, 2016)	ACRC – Chair HRC	Corporate Director
Aaron W. Regent Toronto, Ontario, Canada (Director since April 9, 2013)	HRC - Chair RC	Founding Partner of Magris Resources Inc. and Chairman and Chief Executive officer of Niobec Inc., companies involved with the acquisition, development and operation of mining assets on a global basis
Indira V. Samarasekera, O.C., PH.D. Vancouver, British Columbia, Canada (Director since May 26, 2008)	CGC HRC	Senior Advisor at Bennett Jones LLP, a law firm, and Corporate Director
Susan L. Segal New York, New York, U.S.A. (Director since December 2, 2011)	CGC – Chair RC	President and Chief Executive Officer of the Americas Society, an organization dedicated to education, debate and dialogue in the Americas and of the Council of the Americas, an international business organization for companies in the western hemisphere
Barbara S. Thomas Belleair, Florida, U.S.A. (Director since September 28, 2004)	CGC HRC	Corporate Director
L. Scott Thomson Vancouver, British Columbia, Canada (Director since April 12, 2016)	ACRC HRC	President and Chief Executive Officer of Finning International Inc., the world’s largest Caterpillar equipment dealer.
Benita M. Warmbold Toronto, Ontario, Canada (Director since October 29, 2018)	ACRC HRC	Corporate Director

**Notes:**

ACRC—Audit and Conduct Review Committee

CGC—Corporate Governance Committee

RC—Risk Committee

HRC—Human Resources Committee

The business address of the Directors of the Bank is The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, which is the executive office of the Bank.

There are no potential conflicts of interest between any duties owed to the Bank by the Directors and the private interests and/or other external duties owed by these individuals.

**Major Shareholders**

Without Minister of Finance of Canada (the “**Minister**”) approval, no person or group of associated persons may own more than 10 per cent. of any class of shares of the Bank. No person may be a major shareholder of a bank if the bank has equity of \$12 billion or more (which would include the Bank). A person is a major shareholder of a bank if: (a) the aggregate of shares of any class of voting shares beneficially owned by that person and that are beneficially owned by any entities controlled by that person is more than 20 per cent. of that class of voting shares; or (b) the aggregate of shares of any class of non-voting shares beneficially owned by that person and that are beneficially owned by any entities controlled by that person is more than 30 per cent. of that class of non-voting shares. Ownership of the Bank’s shares by Canadian or foreign governments is prohibited under the Bank Act. However, in 2009 certain amendments were made to the Bank Act that provide for limited circumstances in which the Canadian federal government may be permitted to acquire shares of a bank, including the Bank, if the Minister and Governor in Council were to conclude that to do so would promote stability in the financial system. While the government holds any shares of a bank, including the Bank, the Minister may impose certain terms and conditions, including conditions on the payment by the Bank of dividends on any of its shares (See “*Risk Factors – Risks applicable to Bail-inable Notes*” above).

**Selected Financial Information*****Financial Summary***

The financial data in the tables below has been extracted or calculated without material adjustment from information contained within the audited consolidated statements of financial position and consolidated statements of income, or financial records of the Bank for the years ended October 31, 2018 and October 31, 2017 contained in the Bank’s 2018 Annual Report.

**Condensed Consolidated Statement of Financial Position**

<u>(Amounts in millions of Canadian dollars)</u>	As at October 31	
	2018	2017
<b>Assets</b>		
Cash and deposits with financial institutions and precious metals .....	\$65,460	\$65,380
Trading assets.....	100,262	98,464
Securities purchased under resale agreements and securities borrowed .....	104,018	95,319
Investment securities.....	78,396	69,269
Loans.....	551,834	504,369
Other .....	98,523	82,472
Total assets.....	<u>\$998,493</u>	<u>\$915,273</u>



<u>(Amounts in millions of Canadian dollars)</u>	As at October 31	
	2018	2017
<b>Liabilities</b>		
Deposits .....	\$676,534	\$625,367
Obligations related to securities sold under repurchase agreements and securities lent.....	101,257	95,843
Other liabilities.....	147,324	126,503
Subordinated debentures .....	5,698	5,935
Total liabilities .....	<u>\$930,813</u>	<u>\$853,648</u>
<b>Equity</b>		
Common equity.....	\$61,044	\$55,454
Preferred shares.....	4,184	4,579
Non-controlling interests in subsidiaries.....	2,452	1,592
Total equity .....	<u>\$67,680</u>	<u>\$61,625</u>
Total liabilities and equity.....	<u>\$998,493</u>	<u>\$915,273</u>

### Condensed Consolidated Statement of Income

<u>(Amounts in millions of Canadian dollars)</u>	For the Year ended October 31	
	2018	2017
Net interest income .....	\$16,191	\$15,035
Non-interest income.....	12,584	12,120
Total revenue .....	<u>28,775</u>	<u>27,155</u>
Provision for credit losses.....	2,611	2,249
Non-interest expenses .....	15,058	14,630
Income tax expense.....	2,382	2,033
Net income .....	<u>\$8,724</u>	<u>\$8,243</u>
Net income attributable to non-controlling interests in subsidiaries.....	176	238
Net income attributable to equity holders of the Bank .....	<u>\$8,548</u>	<u>\$8,005</u>
Preferred shareholders.....	187	129
Common shareholders.....	<u>\$8,361</u>	<u>\$7,876</u>

### Consolidated Earnings Ratio

	For the Year ended October 31	
	2018	2017
Consolidated Ratios of Earnings to Fixed Charges		
Excluding interest on deposits .....	8.15	9.60
Including interest on deposits .....	1.88	2.09
Consolidated Ratios of Earnings to Combined Fixed Charges and Preferred Dividends		
Excluding interest on deposits .....	7.02	8.42
Including interest on deposits .....	1.84	2.06

For the purpose of computing these ratios:

- earnings represent income from continuing operations plus income taxes and fixed charges (excluding capitalized interest and net income from investments in associated corporations);
- fixed charges, excluding interest on deposits, represent interest (including capitalized interest), estimated interest within rent, and amortization of debt issuance costs; and
- fixed charges, including interest on deposits, represent all interest.

## Material Contracts

The Bank has not entered into any contracts outside the ordinary course of the Bank's business which could materially affect the Bank's obligations in respect of any Notes to be issued by the Bank.

## Auditors

KPMG LLP, Chartered Professional Accountants, Toronto, Canada, is the external auditor who prepared the Independent Auditor's Report of Registered Public Accounting Firm To the Shareholders of The Bank of Nova Scotia with respect to the consolidated statements of financial position of the Bank as at October 31, 2018 and October 31, 2017 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended October 31, 2018 and notes, comprising a summary of significant accounting policies and other explanatory information, and who prepared the Independent Auditors' Report of Registered Public Accounting Firm To the Shareholders of The Bank of Nova Scotia on the Bank's internal control over financial reporting as of October 31, 2018. These financial statements and management's assessment of the effectiveness of the internal control over financial reporting as of October 31, 2018 have been incorporated by reference in reliance on their reports given on their authority as experts in auditing and accounting.

KPMG LLP is independent with respect to the Bank within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation. Further, KPMG LLP is an independent accountant with respect to the Bank under all relevant U.S. professional and regulatory Standards.

## Legal and Arbitration Proceedings

Save as disclosed in the Bank's Annual Information Form dated November 27, 2018, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), during the 12 month period preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Bank and the Bank's subsidiaries' (taken as a whole) financial position or profitability.

## Issuer and Programme Ratings

Each of Moody's, S&P, Fitch and DBRS has provided the following issuer ratings for the Bank:

	Moody's	S&P	Fitch	DBRS
Legacy Senior debt <sup>(1)</sup>	Aa2	A+	AA-	AA
Senior debt <sup>(2)</sup>	A2	A-	AA-	AA (low)
Short-term deposits/commercial paper	P-1	A-1	F1+	R-1 (high)
Subordinated debt	Baa1	A-	A+	A (high)
Subordinated debt (NVCC) <sup>(3)</sup>	Baa1	BBB+	N/A	A (low)
Subordinated additional tier 1 capital notes (NVCC) <sup>(3)</sup>	Baa3	BBB-	N/A	BBB(high)

	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>	<b>DBRS</b>
Non-cumulative Preferred Shares	Baa3	BBB/P-2 <sup>(4)</sup>	N/A	Pfd-2 (high)
Non-cumulative Preferred Shares (NVCC) <sup>(3)</sup>	Baa3	BBB-/P-2(L) <sup>(4)</sup>	N/A	Pfd-2
Outlook	Stable	Stable	Stable	Stable
Counterparty Rating <sup>(5)</sup>	Aa2(cr)/P-1(cr)	N/A	AA-	N/A

(1) Includes Senior debt issued prior to September 23, 2018 and Senior debt issued on or after September 23, 2018 which is excluded from the bank recapitalization “bail-in” regime

(2) Subject to conversion under the bank recapitalization “bail-in” regime

(3) Non-Viability Contingent Capital (NVCC)

(4) Canadian Scale

(5) Counterparty Rating: Moody's - Counterparty Risk Assessment / S&P - Counterparty Resolution Rating / Fitch - Derivative Counterparty Rating / DBRS - Critical Obligation Rating

None of S&P, Moody's, Fitch or DBRS (the “**non-EU CRAs**”) is established in the European Union or has applied for registration under the CRA Regulation. The ratings have been endorsed by each of Standard and Poor's Credit Market Services Europe Ltd., Moody's Investors Service Ltd., DBRS Ratings Limited and Fitch Ratings Limited (the “**EU CRAs**”), as applicable, which are affiliates of S&P, Moody's, Fitch and DBRS, respectively, in accordance with the CRA Regulation. Each EU CRA is established in the European Union and registered under the CRA Regulation. As such each EU CRA is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation. ESMA has indicated that ratings issued in Canada which have been endorsed by an EU CRA may be used in the EU by the relevant market participants. Investors may suffer losses if the credit rating assigned to the Notes does not reflect the then creditworthiness of such Notes. In addition, Notes to be issued under the Programme pursuant to the Prospectus have been rated Aa2 (Legacy Senior debt), A2 (Senior debt) and P-1 (Short term debt) by Moody's and A+ (Legacy Senior debt), A- (Senior debt) and A-1 (Short term debt) by S&P (with the exception of (i) Reference Item Linked Notes, or (ii) Notes that have a scheduled Early Redemption Amount less than par).

### **Certain Matters Relating to the Bank's Board of Directors**

Under the Bank Act, the Bank's board of directors must have at least seven members and the Bank's board of directors may establish by by-law a minimum and maximum number of directors. Under the Bank's by-laws, the minimum number of directors is the minimum required by the Bank Act and the maximum number of directors is 35. The Bank's by-laws also provide that the number of directors to be elected at any annual meeting of shareholders of the Bank will be fixed by the board of directors before the meeting. The Bank currently has 7 directors. The Bank Act requires that no more than two-thirds of the directors may be affiliated with the Bank, and no more than 15 percent of the directors may be employees of the Bank or a subsidiary of the Bank, except that up to four employees may be directors if they constitute not more than 50 percent of the directors. Under the Bank Act, a majority of the directors of the Bank must be resident Canadians and, except in limited circumstances, directors may not transact business at a meeting of directors at which a majority of the directors present are not resident Canadians. Subject to the Bank Act, a quorum for the transaction of business at any meeting of the board of directors consists of 5 directors. The Bank Act also requires the directors of a bank to appoint from their members a chief executive officer who must ordinarily be resident in Canada.

Under the Bank Act, any director or the entire board of directors may be removed, with or without cause, with the approval of a majority of the votes cast at a special meeting of shareholders. A vacancy created by such removal may be filled at the meeting or by a quorum of the directors. In accordance with the Bank's governance policy, directors who were elected on or before 1 April 2011 (existing directors) must retire at the earlier of 10 years from 1 April 2011 or age 70, provided that if an existing director has not served a 10 year term at the time of achieving age 70, their term will be

extended for additional years in order to complete a minimum 10 year term. For directors elected after 1 April 2011, retirement is the earlier of age 70 or a 15 year term, provided that if a director has not served a 10 year term at the time of achieving age 70, their term will be extended for additional years in order to complete a minimum 10 year term.

### **Conflicts of Interest**

The Bank Act contains detailed provisions with regard to a director's power to vote on a material contract or material transaction in which the director is interested. These provisions include procedures for: disclosure of the conflict of interest and the timing for such disclosure; the presence of directors at board meetings where the contract or transaction giving rise to the conflict of interest is being considered, and voting with respect to the contract or transaction giving rise to the conflict of interest; and other provisions for dealing with such conflicts of interest. The Bank Act also contains detailed provisions regarding transactions with persons who are related parties of the Bank, including directors of the Bank. See — "*Borrowing Powers*".

### **Compensation**

The by-laws of the Bank have provisions with regard to remuneration of directors. The board of directors may, from time to time, by resolution determine the remuneration that may be paid, but such remuneration may not exceed in each year an aggregate cap set out in the by-laws, and individually may be in such amounts as the board may determine by resolution. The directors may also be paid their reasonable out-of-pocket expenses incurred in attending meetings of the board, shareholders or committees of the board.

### **Borrowing Powers**

The directors of the Bank may, without authorization of the shareholders, authorize the Bank to borrow money. The Bank Act, however, prohibits the Bank from entering into transactions with persons who are deemed to be related parties of the Bank, subject to certain exceptions. Related party transactions may include loans made on the credit of the Bank.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the “Conditions”) which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Final Terms, will be applicable to the Notes and, subject further to simplification by deletion of non-applicable provisions, will be endorsed on Notes in definitive form (if any). Details of the relevant Series will be set out in Part A of the applicable Final Terms and, in the case of the issue of Notes in definitive form, the relevant portions will be endorsed on the definitive form of Note. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes which may be issued under the Programme. In addition, the Conditions applicable to Bearer Global Notes and Global Certificates are modified or supplemented by additional provisions; see “Summary of Provisions Relating to the Notes while in Global Form” below. The applicable Final Terms in relation to a Tranche of Notes may specify other terms and conditions (including the Additional Terms and Conditions as 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. Capitalised terms not defined in the Conditions but which are defined in the applicable Final Terms will have the meanings given them in Part A of such Final Terms and “herein”, “hereof” or “hereon” when used in the Conditions shall include a reference to such Final Terms where appropriate.*

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

This Note is one of a Series of notes (the “Notes”), which expression shall mean (i) in regard to any Notes represented by a Note in temporary global form or in permanent global form (each a “**Bearer Global Note**”) or a Note in registered form, units of the lowest Specified Denomination in the Currency specified hereon of the relevant Notes, (ii) any Note in definitive form issued in exchange for a Bearer Global Note, and (iii) any Bearer Global Note. The Notes are issued pursuant to an Amended and Restated Agency Agreement dated December 12, 2018 (as amended or supplemented from time to time, the “**Agency Agreement**”), between The Bank of Nova Scotia (the “**Bank**” or the “**Issuer**”), The Bank of Nova Scotia, London Branch as fiscal agent (the “**Fiscal Agent**”) and principal paying agent, transfer agent, calculation agent and registrar (the “**Registrar**”), The Bank of Nova Scotia, Singapore Branch as Paying Agent, The Bank of Nova Scotia, Global Wholesale Operations as paying agent (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the “**Paying Agents**”) and transfer agent (together with the Fiscal Agent and any additional or other transfer agents in respect of the Notes from time to time appointed, the “**Transfer Agents**”), and with the benefit of a Deed of Covenant (as further amended or supplemented from time to time, the “**Deed of Covenant**”) dated December 12, 2018 executed by the Issuer. The initial Calculation Agent(s) (if any) is specified in the applicable Final Terms. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the instalment receipts (the “**Receipts**”) appertaining to the payment of principal by instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used herein, “**Series**” means all Notes which are denominated in the same currency, which have the same Maturity Date and the same Interest Basis and Redemption/Payment Basis, if any, all as indicated in the applicable Final Terms, and the terms of which, save for the Issue Date, the Interest Commencement Date and/or the Issue Price (as indicated as aforesaid) are otherwise identical (including whether or not the Notes are listed). As used herein, “**Tranche**” means all Notes of the same Series with the same Issue Date and Interest Commencement Date. The Final Terms applicable to a Tranche of Notes are set out in Part A of the Final Terms attached to or endorsed on the Note which complete these Terms and Conditions (the “**Conditions**”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace, supplement or modify the Conditions of the Series for the purposes of such Notes. References to “**the applicable Final Terms**” are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on the Notes.

Copies of the Agency Agreement and Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents. Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated 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 issued in the form specified in the applicable Final Terms. Notes issued in bearer form are referred to herein as “Bearer Notes”, which expression includes Notes which are specified to be Exchangeable Bearer Notes. Notes issued in registered form are referred to herein as “Registered Notes”. Notes issued in bearer form exchangeable for Registered Notes are referred to herein as “Exchangeable Bearer Notes”. Bearer Notes in definitive form will be serially numbered, in the Specified Currency and in the Specified Denomination(s). Notes will be in such denominations as may be specified in the applicable Final Terms, save that the minimum denomination of each Note shall in each case comply with all applicable legal, regulatory and central bank requirements, and save that the minimum denomination of each Note traded on the SGX-ST will be SGD 200,000 (or, if the Notes are denominated in a currency other than Singapore dollars, the equivalent amount in such currency).

*So long as the Bearer Notes are represented by a Temporary Bearer Global Note or Permanent Bearer Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided in the applicable Final Terms and, if so provided in the applicable Final Terms, higher integral multiples of at least 1,000 in the relevant currency (the “Integral Amount”). If a Bearer Global Note or Global Certificate is exchangeable for definitive Notes at the option of the Noteholder or the Issuer, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).*

The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, or a combination of any of the foregoing, in each case depending on the Interest Basis specified in the applicable Final Terms.

Notes may be Instalment Notes, Partly Paid Notes, Index Linked Redemption Notes (together with Index Linked Interest Notes, “**Index Linked Notes**”), Equity Linked Redemption Notes (together with Equity Linked Interest Notes, “**Equity Linked Notes**”), Commodity Linked Redemption Notes (together with Commodity Linked Interest Notes “**Commodity Linked Notes**”), Credit Linked Notes, Fund Linked Redemption Notes (together with Fund Linked Interest Notes, “**Fund Linked Note**”) or a combination of the foregoing, in each case depending on the Redemption/Payment basis specified in the applicable Final Terms. Bail-inable Notes (as defined below) will not be Instalment Notes.

Definitive Bearer Notes are issued with Coupons (and, where appropriate, a Talon for further Coupons) attached, save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. The expression “**Coupons**” shall, where the context so requires, include Talons. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

If the applicable Final Terms specify the Note as a Physical Delivery Note, being a Note to be redeemed by delivery of the Entitlement, Annex 6 to the Conditions – “Additional Terms and Conditions for Physical Delivery Notes” shall apply.

Title to Bearer Notes, Receipts or Coupons shall pass by delivery. The holder of each Coupon, whether or not such Coupon is attached to a Bearer Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Bearer Note. The holder of any Bearer Note, the holder of any Receipt (a “**Receiptholder**”) and any Coupon holder may, to the fullest extent permitted by

applicable laws be treated at all times, by all persons and for all purposes as the absolute owner of such Note, Receipt or Coupon, as the case may be, regardless of any notice of ownership, theft or loss or of any writing thereon.

Registered Notes are represented by certificates (“**Certificates**”), each Certificate representing one or more Notes registered in the name of the recorded holder of such Certificate. Certificates for Registered Notes shall be issued in the lowest Specified Denomination or an integral multiple thereof.

Title to the Registered Notes shall pass by registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Registered Note, Receipt or Coupon shall be deemed to be and may be treated as the absolute owner of such Registered Note, Receipt or Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Registered Note, Receipt or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note in definitive form and the Coupons, Talons and Receipts relating to it, the person in whose name a Registered Note in definitive form is registered and unless otherwise specifically provided herein, in the case of a Bearer Global Note or a Global Certificate, a person that beneficially owns one or more Notes represented thereby. In addition, “**holder**” (in relation to a Note, Receipt or Coupon) has the corresponding meaning and capitalised terms have the meanings given to them herein; the absence of any such meaning indicating that such term is not applicable to the Notes.

## **2. Exchange of Exchangeable Bearer Notes and Transfers of Registered Notes**

### **(a) Exchange of Exchangeable Bearer Notes:**

Subject as provided in Condition 2(e), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts and Coupons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest or Instalment Amount, the Coupon in respect of that payment of interest or Receipt in respect of that Instalment Amount need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one denomination may not be exchanged for Bearer Notes of another denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

### **(b) Transfer of Registered Notes:**

Subject as provided in Condition 2(e), one or more Registered Notes may be transferred upon the surrender of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate in respect of the balance not transferred will be issued to the transferor.

### **(c) Delivery of new Certificates:**

Each new Certificate to be issued upon exchange of Exchangeable Bearer Notes or transfer of Registered Notes will, within three business days (being a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar to whom such request for exchange or form of transfer shall have been delivered, as the case may be) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom such delivery shall have been made

or, at the option of the holder making such delivery as aforesaid and as specified in the relevant request for exchange or form of transfer, be mailed at the risk of the holder entitled to the new Certificate to such address as may be specified in such request for exchange or form of transfer.

(d) ***Exchange free of charge:***

Exchange of Notes on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but on payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(e) ***Closed periods:***

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for a Registered Note (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) 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 5(e) or (iii) after any such Note has been drawn for redemption in whole or in part. An Exchangeable Bearer Note called for redemption may, however, be exchanged for a Registered Note in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

### **3. Status**

(a) ***Status of Notes***

The Notes will constitute deposit liabilities of the Bank under the *Bank Act* (Canada) and, together with the Receipts and Coupons relating to them, will rank *pari passu* with all present or future deposit liabilities of the Bank (except as otherwise prescribed by law and subject to the exercise of bank resolution powers under the Canadian bank recapitalisation regime for banks designated by the Superintendent of Financial Institutions as domestically important banks (the “**Bail-in Regime**”)) including the conversion of Bail-inable Notes (as defined below) into common shares of the Bank or any of its affiliates under subsection 39.2(2.3) of the *Canada Deposit Insurance Corporation Act* (the “**CDIC Act**”) and the variation or extinguishment of the Bail-inable Notes in consequence) and without any preference amongst themselves. Notes issued by a branch of the Bank outside of Canada will be paid without the necessity of being presented for payment at such branch.

(b) ***Bail-inable Notes***

This Condition 3(b) will apply in respect of all Notes issued by the Bank that are identified as Bail-inable Notes in the applicable Final Terms (“**Bail-inable Notes**”). All Notes issued on or after September 23, 2018 that (i) have an original or amended term to maturity of more than 400 days, have one or more explicit or embedded options, that if exercised by or on behalf of the Bank, could result in a maturity date that is more than 400 days from the date of issuance of the Notes or that have an explicit or embedded option that, if exercised by or on behalf of the Noteholder, could by itself result in a maturity date that is more than 400 days from the maturity date that would apply if the option were not exercised; and (ii) are not otherwise excluded (e.g. structured notes (as such term is used under the Bail-in Regime)) under the Bail-in Regime, will be identified as Bail-inable Notes in the applicable Final Terms. Notes that constitute structured notes (as such term is used under the Bail-in Regime) under the Bail-in Regime, will not be identified as Bail-inable Notes in the applicable Final Terms. Notes issued before September 23, 2018 which have their terms amended, on or after September 23, 2018, to increase their principal amount or to extend their term to maturity and which otherwise meet conditions (i) to (iii), above, in this Condition 3(b) will also be Bail-inable Notes and following such amendment will be subject to this Condition 3(b).

By its acquisition of Bail-inable Notes, each Noteholder (which, for the purposes of this Condition 3(b), includes each holder of a beneficial interest in the Bail-inable Notes):



- (i) agrees to be bound, in respect of the Bail-inable Notes, by the CDIC Act, including the conversion of the Bail-inable Notes into common shares of the Bank or any of its affiliates under subsection 39.2(2.3) of the CDIC Act and the variation or extinguishment of the Notes in consequence, and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to the Bail-inable Notes;
- (ii) attorns to the jurisdiction of the courts in the Province of Ontario in Canada with respect to the CDIC Act and those laws;
- (iii) is deemed to have represented and warranted to the Bank that the Bank has not directly or indirectly provided financing to the Noteholder for the express purpose of investing in Bail-inable Notes; and
- (iv) acknowledges and agrees that the terms referred to in paragraphs (i) and (ii), above, are binding on such Noteholder despite any conditions, any other law that governs the Bail-inable Notes and any other agreement, arrangement or understanding between such Noteholder and the Bank with respect to the Bail-inable Notes.

The applicable Final Terms will indicate whether Notes are Bail-inable Notes. All Bail-inable Notes will be subject to conversion into common shares under subsection 39.2(2.3) of the CDIC Act. The Issuer will provide notice to the Noteholders as soon as practicable following the issue of any such conversion order in accordance with Condition 13.

Each holder or beneficial owner of a Bail-inable Note that acquires an interest in the Bail-inable Note in the secondary market and any successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of any holder or beneficial owner is deemed to acknowledge, accept, agree to be bound by and consent to the same provisions specified herein to the same extent as the holders or beneficial owners that acquired an interest in the Bail-inable Note upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the Bail-inable Note related to the Bail-in Regime.

Each holder or beneficial owner of a Bail-inable Note will have no further rights in respect of such Bail-inable Note to the extent such Bail-inable Note is converted in a Bail-in Conversion, other than those provided under the Bail-in Regime, and by its acquisition of an interest in the Bail-inable Note, each holder or beneficial owner of the Bail-inable Note is deemed to irrevocably consent to the converted portion of the principal amount of the Bail-inable Note and any accrued and unpaid interest thereon being deemed paid in full (and no further interest to accrue on such converted portion) by the issuance of common shares of the Issuer (or, if applicable, any of its affiliates) upon the occurrence of a Bail-in Conversion, which Bail-in Conversion shall occur without any further action on the part of that holder or beneficial owner or the Fiscal Agent or the Registrar; provided that, for the avoidance of doubt, this consent shall not limit or otherwise affect any rights of that holder or beneficial owner provided for under the Bail-in Regime.

#### **4. Interest and Other Calculations**

Notes may be interest bearing or non-interest bearing as specified in the applicable Final Terms.

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

Each Fixed Rate Note bears interest on its outstanding Principal Amount from and including the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be calculated in accordance with Condition 4(f).

Unless otherwise specified in the applicable Final Terms the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on, but excluding such date, will amount to

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

(b) ***Business Day Convention:***

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Relevant Business Day and (B) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day.

(c) ***Interest Rate on Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Commodity Linked Interest Notes and Fund Linked Interest Notes:***

Each Floating Rate Note, Index Linked Interest Note, Equity Linked Interest Note, Commodity Linked Interest Note and Fund Linked Interest Note bears interest on its outstanding Principal Amount from and including the Interest Commencement Date, such interest being payable in arrear on either (i) Interest Payment Date(s) in each year specified in the applicable Final Terms; or (ii) if no Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (also an “**Interest Payment Date**”) which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, the Interest Commencement Date.

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

The Interest Rate for each Interest Accrual Period or Interest Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period or Interest Period in the manner specified in the applicable Final Terms:

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

If the Primary Source for the Floating Rate Notes is Screen Rate, the Interest Rate for each Interest Period will be:

- (x) the Relevant Rate (where such Relevant Rate on the Relevant Screen Page is a composite quotation or is customarily supplied by one entity);  
or
- (y) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on the Relevant Screen Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (ii) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (i)(x) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(y) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided

below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;

(iii) if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) which the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency which at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Relevant Currency or, if the Relevant Currency is euro in the principal financial centre of those member states that are participating in the European economic and monetary union whose lawful currency is the euro (the “Eurozone”) as selected by the Calculation Agent (either of such centres to be referred to herein as the “Principal Financial Centre”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration to leading banks carrying on business in Europe, or, if the Calculation Agent determines that fewer than two of such banks are so quoting, in the Principal Financial Centre, except that, if fewer than two of the banks in the Principal Financial Centre so selected by the Calculation Agent are quoting as aforesaid, the Interest Rate shall be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(d) ***Interest Rate on Zero Coupon Notes:***

Where a Note, the Interest Rate of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due and payable, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield.

(e) ***Margin, Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:***

(i) If any Margin or Rate Multiplier is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods or Interest Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods or Interest Periods, in the case of (y), calculated in accordance with Condition 4(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

(ii) If any Maximum Interest Rate or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the applicable Final Terms, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(f) ***Calculations:***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Period or Interest Accrual Period or such other period shall be equal to the product of the Interest Rate (adjusted as required by Condition 4(e)), the Calculation Amount specified in the applicable Final Terms and the Day Count Fraction for such Interest Period or Interest Accrual Period or such other period, unless an Interest Amount (or a formula for its calculation) is specified in respect of such Interest Period or Interest Accrual Period or other period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such period will equal such Interest Amount (or be calculated in

accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, as specified in the applicable Final Terms, the amount of interest payable per Calculation Amount in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods, unless otherwise specified.

In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest sub-unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen.

For these purposes “**sub-unit**” means with respect to any currency other than the euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(g) ***Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts:***

The Calculation Agent shall, as soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Interest Rate, Interest Amount, Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it will determine the Interest Rate and calculate the Interest Amount in respect of each Calculation Amount of the Notes for the relevant Interest Accrual Period or Interest Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period or Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange or other relevant authority and such exchange or other relevant authority so requires, such exchange or other relevant authority as soon as practicable after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Relevant Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(h) ***Interest Accrual:***

Interest will cease to accrue on each such Note (or in the case of (i) partial redemption of a Note, or (ii) a Bail-in Conversion, that part only of such Note) on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid and/or all assets deliverable in respect of such Note have been delivered; and

(ii) five days after the date on which full payment of the moneys payable in respect of such Note has been received by the Fiscal Agent.

(i) **Definitions:**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Benchmark**” means the benchmark specified in the Final Terms.

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

(i) If “**Actual/365**” or “**Actual/Actual**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if “**Actual/Actual — ICMA**” is specified in the applicable Final Terms;

(A) 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

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

“**Determination Period**” means the 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

(iv) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;

(v) if “**Actual/365 Sterling**” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;

(vi) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

where:

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

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

“M<sub>2</sub>” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

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

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

where:

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

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the applicable Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“**Interest Accrual Period**” means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Period Date and each successive period beginning on, and including, an Interest Period Date and ending on, but excluding, the next succeeding Interest Period Date.

“**Interest Amount**” means the amount of interest payable per Calculation Amount calculated in accordance with Condition 4(f) or as specified in the applicable Final Terms and in the case of Fixed Rate Notes, if so specified in the applicable Final Terms, shall mean the Fixed Coupon Amount(s) or Broken Amount(s).

“**Interest Commencement Date**” means the date of issue of the Notes (the “**Issue Date**”) or such other date as may be specified in the applicable Final Terms.

“**Interest Determination Date**” means, with respect to an Interest Rate and Interest Period or Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified, (i) the first day of such Interest Period or Interest Accrual Period if the Relevant Currency is Sterling or (ii) the day falling two Relevant Business Days in London prior to the first day of such Interest Period or Interest Accrual Period if the Relevant Currency is neither Sterling nor euro or (iii) the day falling two TARGET Settlement Days prior to the first day of such Interest Period or Interest Accrual Period if the Relevant Currency is the euro.

“**Interest Payment Date**” means either the Interest Payment Dates specified in the applicable Final Terms or, if no Interest Payment Dates are specified in the applicable Final Terms, each date which falls the number of months or other period specified in the applicable Final Terms as the Interest Period after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date, subject to adjustment in accordance with the applicable Business Day Convention.

“**Interest Period**” means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date.

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

“**Interest Rate**” means the rate of interest payable from time to time in respect of the Notes of a Series and which is either specified in or calculated in accordance with the provisions of the applicable Final Terms and in accordance with these Conditions.

“**Redemption Amount**” means the Final Redemption Amount, the Optional Redemption Amount or the Early Redemption Amount, as the case may be, specified in the applicable Final Terms.

“**Reference Banks**” means the institutions specified as such in the applicable Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money market) which is most closely connected with the Benchmark.

“**Relevant Business Day**” means:

(i) in the case of a Specified Currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre for that currency and/or each Business Centre (if any) specified in the applicable Final Terms; and/or

(ii) in the case of euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Business Centre (if any) specified in the applicable Final Terms.

“**Relevant Currency**” means the Currency specified in the applicable Final Terms or, if none is specified, the currency in which the Notes are denominated.

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the applicable Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which in the case of the Euro Inter-bank Offered Rate (“**EURIBOR**”) shall be the Eurozone) or, if none is so connected, London.

“**Relevant Rate**” means the Benchmark for a Representative Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Money 3000 Service (“**Reuters**”) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the applicable Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre and, where the Primary Source for the Floating Rate is a Relevant Screen Page, the time as of which the Relevant Rate(s) appearing on such Relevant Screen Page is or are set and posted on such Relevant Screen Page and for this purpose “**local time**” means, with respect to Europe and the Eurozone as a Relevant Financial Centre, Central European Time.

“**Representative Amount**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified in the applicable Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“**Specified Duration**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the applicable Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 4(b).

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on November 19, 2007 or any successor thereto.

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

(j) *Calculation Agent and Reference Banks:*



The Issuer will procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or Interest Accrual Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the interbank market that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as calculation agent in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 5. Redemption, Purchase and Optional Redemption

### (a) *Final Redemption:*

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to the Issuer's or Noteholder's option in accordance with Condition 5(e) or (f), each Note (unless it is a Credit Linked Note and a Credit Event has occurred) will be redeemed 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 – *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 specified on each Note.

### (b) *Redemption for taxation reasons:*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if the Note is a Floating Rate Note, an Index Linked Interest Note, an Equity Linked Interest Note, a Commodity Linked Interest Note or a Fund Linked Interest Note) or, if so specified herein, at any time (if the Note is not a Floating Rate Note, an Index Linked Interest Note, an Equity Linked Interest Note, a Commodity Linked Interest Note or a Fund Linked Interest Note), on giving not less than 30 days' nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount, (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or would become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Canada or any province or territory thereof or, in the case of Notes issued by a branch of the Bank outside Canada, of the country in which such branch is located or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, or any announced prospective change to the *Income Tax Act* (Canada) or the regulations thereunder or in the application or official interpretation thereof that, if enacted in the form proposed, would apply retroactively to and from a date prior to the date of its enactment (an "**Announced Prospective Change**") which change (including any Announced Prospective Change) or amendment becomes (or in the case of an Announced Prospective Change, would become) effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due and provided further that in respect of Bail-inable Notes, where the redemption would lead to a breach of the Bank's minimum total loss absorbing capacity ("**TLAC**") requirements such redemption will be subject to the prior approval of the Superintendent of Financial Institutions (Canada) (the "**Superintendent**"). Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two senior officers 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 an opinion of 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.

(c) ***Redemption due to TLAC Disqualification Event:***

Where a TLAC Disqualification Event is specified as being applicable in the applicable Final Terms relating to a Series of Bail-inable Notes, the Bank may at its option, having given not less than 30 days' nor more than 60 days' notice in accordance with Condition 13, redeem all but not less than all of the outstanding Bail-inable Notes of the Series (if the Bail-inable Notes are Floating Rate Notes) on the next Interest Payment Date or (if the Bail-inable Notes are not Floating Rate Notes) at any time at the Early Redemption Amount, together (if applicable) with any accrued but unpaid interest up to (but excluding) the date fixed for redemption, if immediately prior to the giving of the notice referred to above, a TLAC Disqualification Event has occurred (as defined below). Any such redemption shall, if and to the extent then required by the Office of the Superintendent of Financial Institutions ("OSFI") or the laws, regulations, requirements, guidelines, rules, standards and policies, relating to loss absorbing capacity requirements in Canada, including the Office of the Superintendent of Financial Institutions' Guideline on Total Loss Absorbing Capacity (the "**TLAC Guideline**"), be subject to the consent of the Superintendent.

A "**TLAC Disqualification Event**" means OSFI has advised the Bank in writing that the Series of Bail-inable Notes will no longer be recognised as TLAC, provided that a TLAC Disqualification Event shall not occur where the exclusion of the relevant Series of Bail-inable Notes from the Bank's TLAC requirements is due to the remaining maturity of such Series of Bail-inable Notes being less than any period prescribed by any applicable eligibility criteria as of the Issue Date of the first Tranche of such Series of Bail-inable Notes.

(d) ***Purchases:***

The Issuer and any of its Affiliates, if applicable, may at any time purchase Notes issued by the Issuer (provided that all unmatured Receipts (if any) and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price, provided that in respect of Bail-inable Notes where the purchase would lead to a breach of the Bank's minimum TLAC requirements, such purchase will be subject to the prior approval of the Superintendent.

(e) ***Early Redemption of Zero Coupon Notes:***

(i) The Early Redemption Amount payable in respect of any Note which does not bear interest prior to the Maturity Date, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Early Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the applicable Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the applicable Final Terms.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the Maturity Date were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment),

until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Early Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(d).

(f) ***Redemption at the Option of the Issuer and Exercise of Issuer's Options:***

If the Issuer's Option is specified as applicable in the applicable Final Terms, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Option Period, redeem or exercise any Issuer's Option in relation to, all or, if so provided in the applicable Final Terms, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, provided that in respect of Bail-inable Notes where the redemption would lead to a breach of the Bank's minimum TLAC requirements, such redemption will be subject to the prior approval of the Superintendent.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's Option shall be exercised by the Issuer, on the date specified in such notice in accordance with this Condition.

If so provided in the applicable Final Terms, the Issuer shall redeem a specified number of the Notes on the date or dates so provided. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption which may, if so specified in the applicable Final Terms, be payable in instalments or otherwise. Notice of such redemption shall be irrevocably given to the Noteholders in accordance with Condition 13, provided that Bail-inable Notes continue to be subject to a Bail-in Conversion prior to their repayment in full.

In the case of a partial redemption or a partial exercise of an Issuer's Option, the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and the requirements of any relevant stock exchange or other relevant authority.

(g) ***Redemption at the Option of Noteholders and Exercise of Noteholders' Options:***

This Condition 5(g) is not applicable to Bail-inable Notes.

If the Noteholders' Option is specified as applicable in the applicable Final Terms, the Issuer shall, at the option of the Noteholder, redeem such Note on the date or dates so provided at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' Option which may be set in the applicable Final Terms, the holder must deposit such Note with any Paying Agent (in the case of Bearer Notes) or the Certificate representing such Note(s) with the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Option Period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(h) ***Redemption by Instalments:***

Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified in the applicable Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(e) or (f), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes. This Condition 5(h) is not applicable to Bail-inable Notes.

(i) ***Cancellation:***

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

**6. Payments and Talons**

(a) ***Bearer Notes:***

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by credit or transfer to an account denominated in that currency maintained by or as directed by the holder with, a bank in the principal financial centre of that currency, provided that (i) in the case of euro, payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) or by a euro cheque; (ii) in the case of Japanese yen, the credit or transfer will be made to a non-resident Japanese yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan); and (iii) in the case of U.S. dollars, payments will be made by credit or transfer to a U.S. dollar account maintained by the holder outside the United States.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relevant Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the holder to any payment in respect of the relevant Instalment Amount.

(b) ***Registered Notes:***

(i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts or Optional Redemption Amounts) in respect of Registered Notes will be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) in relation to (i) Registered Notes in global form, will be paid to the person shown on the Register at the close of business before the due date for payment thereof or (ii) in relation to Registered Notes in definitive form will be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for

payment thereof (the “**Record Date**”). Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in Condition 6(a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(c) ***Payments in the United States:***

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts, and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) ***Payments subject to fiscal and other laws:***

Payments will be subject in all cases, but without prejudice to the provisions of Condition 7, to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code. Any such amounts withheld or deducted as required pursuant to an agreement described in the Code will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction. Payments on the Notes that reference U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

(e) ***Appointment of Agents:***

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar or any Transfer Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer will at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Calculation Agent where the Conditions so require one, (v) a Paying Agent (vi) such other agents as may be required by any other stock exchange or other relevant authority on which the Notes may be listed or as may be agreed between the Issuer and the relevant Dealer.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in U.S. dollars in the circumstances described in Condition 6(c) above.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13.

(f) ***Unmatured Coupons and Receipts and unexchanged Talons:***

(i) Unless the applicable Final Terms provide that the unmaturred Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unmaturred Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmaturred Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturred Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of two years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) If the applicable Final Terms so provides, upon the due date for redemption of any Bearer Note, unmaturred Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note which provides that the unmaturred Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturred Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not an Interest Payment Date, interest accrued from the preceding Interest Payment Date or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) ***Talons:***

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet), but excluding any Coupons which may have become void pursuant to Condition 8.

(h) ***Non-Business Days:***

Unless otherwise specified in the applicable Final Terms, if any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation (if presentation is required), in each other place (if any) specified in the applicable Final Terms as a Financial Centre and:

(i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in such currency, a day on which foreign exchange transactions may be carried on in such currency in the principal financial centre of the country of such currency; or

(ii) in the case of a payment in euro, a day which is a TARGET Settlement Day.

(i) ***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.

(j) ***Redenomination:***

As may be indicated in the applicable Final Terms, the Issuer may, but shall not be obligated to, with respect to Notes originally denominated in the national currency of a Member State of the European Union (“**EU**”) that adopts the single Currency in accordance with the Treaty establishing the European Community, as amended (the “**Treaty**”), without the consent of the holders of the Notes, Certificates, Receipts, Coupons or Talons by giving at least 30 days’ notice in accordance with Condition 13, redenominate all, but not some only, of the Notes into euro with effect from any Interest Payment Date or, in the case of Zero Coupon Notes, any date (the “**Redenomination Date**”) falling on or after the date on which such Member State of the EU has adopted the euro.

With effect from the Redenomination Date, notwithstanding the other provisions of the Conditions:

(A) such Notes shall be deemed to be redenominated in euro with a principal amount for each Note equal to the principal amount of that Note in the currency of the participating Member State, converted into euro to the nearest euro 0.01 at the rate for conversion of the national currency of the participating Member State into euro established by the Council of the EU pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations) provided that, if the Issuer determines, with the agreement of the Fiscal Agent, that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from the provision specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange or other relevant authority (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

(B) if definitive Notes are required to be issued, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 or such other denominations as the Fiscal Agent shall determine and notify to the Noteholders (the smallest such denomination being hereinafter referred to as the “**Minimum Euro Denomination**”);

(C) if definitive Notes have been issued, all unmatured Coupons denominated in the national currency of the participating Member State (whether or not

attached to the Notes) will become void with effect from the date on which the Issuer gives the notice (the “**Exchange Notice**”) that replacement euro-denominated Notes and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although those Notes will continue to constitute valid exchange obligations of the Issuer. New certificates in respect of euro-denominated Notes and Coupons will be issued in exchange for Notes and Coupons denominated in the national currency of the participating Member State in such manner as the Fiscal Agent may specify and as shall be notified to Noteholders in the Exchange Notice;

(D) any balance remaining from the redenomination that is less than the Minimum Euro Denomination and greater than or equal to euro 0.01 shall be paid by way of cash adjustment rounded to the nearest euro 0.01 (with euro 0.005 being rounded upwards). Such cash adjustment will be payable in euro on the Redenomination Date in the manner notified to the Noteholders by the Issuer;

(E) all payments in respect of such Notes (other than, unless the Redenomination Date is on or after such date as the national currency of the participating Member State ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro;

(F) Notes, Certificates, Receipts, Coupons or Talons may only be presented for payment on a day on which commercial banks and foreign exchange markets are open for general business in the place of presentation and which is a TARGET Settlement Day;

(G) the amount of interest in respect of such Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant Noteholder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(H) if interest is required to be calculated for a period of less than 1 year, the Day Count Fraction will be “**Actual/Actual**”; provided, however, in relation to floating rate notes denominated in euro the Day Count Fraction will be “**Actual/360**”; and

(I) upon any such redenomination of the Notes, any reference in these Conditions and the applicable Final Terms to the relevant national currency shall, where the context so admits, be construed as a reference to euro.

(k) ***RMB Currency Event***

If “RMB Currency Event” is specified as being applicable in the applicable Final Terms and an RMB Currency Event, as determined by the Issuer acting in good faith and in a commercially reasonable manner, exists on a date for payment of any amount in respect of any Note or Coupon, the Issuer’s obligation to make a payment in RMB under the terms of the Notes may be replaced by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate for the relevant Rate Determination Date.

Upon the occurrence of an RMB Currency Event, the Issuer shall give notice to Noteholders as soon as practicable in accordance with Condition 13 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

*In this Condition 6(k)*

“**Governmental Authority**” means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity



(private or public) charged with the regulation of the financial markets (including the central bank) of the relevant RMB Settlement Centre(s);

“**PRC**” means the People’s Republic of China;

“**Rate Determination Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the relevant RMB Settlement Centre(s), London and New York City;

“**Rate Determination Date**” means the day which is two Rate Determination Business Days before the due date of the relevant payment under the Notes or Coupon;

“**Relevant Currency**” means U.S. Dollars or such other currency specified as such in the applicable Final Terms;

“**RMB Currency Event**” means any one of RMB Illiquidity, RMB Inconvertibility and RMB Non-Transferability;

“**RMB Illiquidity**” means the general Renminbi exchange market in the relevant RMB Settlement Centre(s) becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes, as determined by the Issuer in good faith and in a commercially reasonable manner;

“**RMB Inconvertibility**” means the occurrence of any event that makes it impossible or, having used its reasonable efforts, impracticable, for the Issuer to convert into Renminbi any amount due in respect of the Notes on any payment date in the general Renminbi exchange market in the relevant RMB Settlement Centre(s), other than where such impossibility or impracticability is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible or, having used its reasonable efforts, impracticable, for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

“**RMB Non-transferability**” means the occurrence of any event that makes it impossible or, having used its reasonable endeavours, impracticable, for the Issuer to deliver Renminbi between accounts inside the relevant RMB Settlement Centre(s) or from an account in the relevant RMB Settlement Centre(s) to an account outside the relevant RMB Settlement Centre(s) (including where the Renminbi clearing and settlement system for participating banks in the relevant RMB Settlement Centre(s) is disrupted or suspended), other than where such impossibility or impracticability is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible or, having used its reasonable efforts, impracticable, for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

“**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 Hong Kong.

“**Spot Rate**” means, unless otherwise specified in the applicable Final Terms, in respect of any relevant day, the spot exchange rate on such day between CNY and the Relevant Currency determined by the Calculation Agent at or around 11.00 a.m. (local time at the relevant RMB Settlement Centre(s)) on the Rate Determination Date, taking into consideration all available information which the Calculation Agent deems relevant, including, but not limited to, pricing information obtained from the Renminbi non-deliverable exchange market in the relevant RMB Settlement Centre(s) or elsewhere and/or the CNY and the Relevant Currency exchange rate in the PRC domestic foreign exchange market.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(k), whether by the

Fiscal Agent or the Calculation Agent, shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, Calculation Agent (if applicable), any other Paying Agents and all Noteholders and (in the case of Registered Notes) the Registrar and any Transfer Agent and (in the absence as aforesaid) no liability to the Issuer or the Noteholders shall attach to the Fiscal 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.

Any payment made in the Relevant Currency or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 9.

## 7. Taxation

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of (i) Canada, any province or territory or political subdivision thereof or any authority therein or thereof having power to tax, or (ii) in the case of Notes issued by a branch of the Bank located outside Canada, the country in which such branch is located or any subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law, rule or regulation or the administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and the Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

(1) to, or to a third party on behalf of, a Noteholder who is liable or subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon for any reason other than the mere holding or ownership or deemed holding or ownership of such Note, Receipt or Coupon as a non-resident or deemed non-resident of the jurisdiction imposing such tax, duty, assessment or governmental charge or who would not be liable or subject to such withholding or deduction by making a declaration of non-residence or other similar claim for exemption (including an application for relief under any applicable double tax treaty) to the relevant tax authority; or

(2) to, or to a third party on behalf of, a Noteholder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the Noteholder being a person with whom the Bank is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada) (the "**Tax Act**")), being a "specified shareholder" of the Bank (within the meaning of subsection 18(5) of the Tax Act), or being a non-resident person not dealing at arm's length with such a specified shareholder (within the meaning of the Tax Act); or

(3) on account of any such taxes, duties, assessments or governmental charges required to be withheld or deducted by any paying agent, collecting agent or other intermediary from a payment on a Note, Receipt or Coupon if such payment can be made without such deduction or withholding by another paying agent, collecting agent or other intermediary; or

(4) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day, assuming that day to have been a Payment Date.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to “**principal**” 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; and
- (k) any premium and any other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it 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 this Condition 7.

## **8. Prescription**

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within two years from the appropriate Relevant Date in respect thereof.

## **9. Events of Default**

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable:

- (a) In relation to Notes (which are not Bail-inable Notes):
  - (i) if the Bank is in default for more than 30 days (in the case of interest) or five days (in the case of principal) in the payment on the due date of interest or principal in respect of any such Notes; or
  - (ii) if the Issuer shall become insolvent or bankrupt, or if a liquidator, receiver or receiver and manager of the Issuer or any other officer having similar powers shall be appointed.
- (b) In relation to Bail-inable Notes:
  - (i) if default is made for more than 30 Business Days in the payment on the due date of interest or principal in respect of any such Notes; or

(ii) if the Bank shall become insolvent or bankrupt or subject to the provisions of the *Winding-up and Restructuring Act* (Canada) (“**WURA**”), or any statute hereafter enacted in substitution therefor, as such Act, or substituted Act, as may be amended from time to time, or if the Bank goes into liquidation, either voluntary or under an order of a court of competent jurisdiction, passes a resolution for the winding-up, liquidation or dissolution of the Bank, is ordered wound-up or otherwise acknowledges its insolvency.

Noteholders may only exercise rights under this Condition 9(b) in respect of Bail-inable Notes where an Order has not been made pursuant to subsection 39.13(1) of the CDIC Act in respect of the Bank. Notwithstanding the exercise of any rights by Noteholders under this Condition 9 in respect of Bail-inable Notes, Bail-inable Notes will continue to be subject to conversion in whole or in part into common shares under subsection 39.2(2.3) of the CDIC Act prior to their repayment in full. A conversion of Bail-inable Notes into common shares under subsection 39.2(2.3) of the CDIC Act will not be an Event of Default. By its acquisition of the Bail-inable Notes, each holder (including each holder of a beneficial interest in any Bail-inable Note), to the extent permitted by law, waives any and all claims, in law and/or in equity, against the Fiscal Agent (in each case solely in its capacity as Fiscal Agent) for, agrees not to initiate a suit against the Fiscal Agent in respect of, and agrees that the Fiscal Agent shall not be liable for, any action that the Fiscal Agent takes, or abstains from taking, in either case in accordance with the conversion of Bail-inable Notes into common shares under subsection 39.2(2.3) of the CDIC Act.

## **10. Meeting of Noteholders and Modifications**

### **(a) *Meetings of Noteholders:***

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes (including these Conditions insofar as the same may apply to such Notes). An Extraordinary Resolution passed by the Noteholders, provided it is at a duly convened meeting at which quorum was achieved, will be binding on all the Noteholders, whether present or not at any meeting and whether or not they voted on the resolution, and on all relevant Receiptholders and Couponholders, except that without the consent and affirmative vote of each Noteholder no Extraordinary Resolution may: (i) amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) reduce the rate or rates of interest in respect of the Notes or vary the method or basis of calculating the Interest Amount in respect thereof, (iv) if a Minimum Interest Rate, a Maximum Interest Rate, Instalment Amount or Redemption Amount is specified in the applicable Final Terms, reduce any such Minimum Interest Rate, Maximum Interest Rate, Instalment Amount and/or Redemption Amount, as the case may be, (v) change any method of calculating the Redemption Amount, (vi) save as provided in Condition 6(j), change the currency or currencies of payment or denomination of the Notes, (vii) take any steps which as specified herein may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (viii) modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution and will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Agency Agreement) is present.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Final Terms in relation to such Series.

### **(b) *Modification of Agency Agreement:***

The Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the Issuer and the Fiscal Agent without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any

defective provision contained therein, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the Issuer and the Fiscal Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons.

(c) ***Written Resolutions***

The Agency Agreement provides that a written resolution signed by or on behalf of the Noteholders of not less than 75 per cent in nominal amount of Notes outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

(d) ***Bail-inable Notes***

Notwithstanding anything in this Condition 10, where any amendment, modification or other variance of any Bail-inable Notes would affect their recognition by the Superintendent as TLAC, in addition to such other approvals as may be required under the Conditions, such amendment, modification or variance will require the prior approval of the Superintendent.

## **11. Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, listing authority and stock exchange regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 13, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **12. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes except as regards the issue date, the issue price and/or the payment of interest accruing prior to the Issue Date of such additional Notes or the payment of interest following the Issue Date and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.

## **13. Notices**

Notices to holders of Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by air mail to them (or the first named of joint holders) at their respective addresses as recorded in the Register and will be deemed to have been validly given on the fourth weekday after the date of such 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, a copy of such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Notices to the holders of Bearer Notes will be valid if published in a daily newspaper of general circulation in Asia (which is expected to be the Asian Wall Street Journal). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent.

#### **14. Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to the recipient from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify the recipient against any loss sustained by the recipient as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. If the amount received or recovered is more than the amount expressed to be due to the recipient under any Note, Coupon or Receipt (after taking into account the costs of making any such purchase), the recipient shall pay the amount of such excess to the Issuer. For the purposes of this Condition, it will be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that such Noteholder or Couponholder, as the case may be, would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

#### **15. Waiver of set-off and netting rights**

Bail-inable Notes are not subject to set-off or netting rights.

#### **16. Governing Law**

The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein. The relevant agreements relating to the Programme are governed by the laws of the Province of Ontario and the laws of Canada applicable therein. By its acquisition of an interest in any Bail-inable Note(s), each holder or beneficial owner of that Bail-inable Note is deemed to attorn and submit to the jurisdiction of the courts in the Province of Ontario with respect to actions, suits and proceedings arising out of or relating to the operation of the CDIC Act and the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the senior debt securities indenture and the Bail-inable Note(s). If legal proceedings were commenced in Ontario in relation to the Programme, it is likely that they would be commenced in the Ontario Superior Court of Justice.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **Initial Issue of Notes**

The Notes may be issued in bearer form only, in bearer form exchangeable for Registered Notes or in registered form only. Each Tranche of Bearer Notes having an original maturity of more than one year will initially be represented by a Temporary Bearer Global Note and each Tranche of Bearer Notes having an original maturity of one year or less will initially be represented by a Permanent Bearer Global Note, in each case, in bearer form without Coupons, Receipts or Talons attached. The relevant Bearer Global Note will be delivered on or prior to the issue date thereof to a common depository on behalf of Euroclear and/or Clearstream, Luxembourg (the “**Common Depository**”) or any other agreed clearing system. Notes issued in registered form will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series (subject to the provisions of the Agency Agreement). Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg will be registered in the name of a nominee for such system or a common nominee for both systems and the relative Certificate(s) will be delivered to the appropriate depository or a Common Depository, as the case may be. Upon the initial deposit of a Bearer Global Note with the Common Depository, or the initial registration in the name of nominees for Euroclear and/or Clearstream, Luxembourg or such other clearing system as may be agreed between the Issuer, the relevant Dealer, the Fiscal Agent and the Registrar (if applicable), or a common nominee, and delivery of the relative Global Certificate(s) to the appropriate depositories, or a Common Depository, for Euroclear or Clearstream, Luxembourg (or such other clearing system as may be agreed to between the Issuer, the relevant Dealer, the Fiscal Agent and the Registrar (if applicable) (each an “**Approved Intermediary**”)) will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. The amount of the Notes shall be the aggregate principal amount from time to time entered in the records of Euroclear and/or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the principal amount of Notes represented by the Bearer Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time. Any reference to Euroclear or Clearstream, Luxembourg, whenever the context so permits, shall be deemed to include a reference to any additional or alternative clearing system as may be agreed to between the Issuer, the relevant Dealer, the Fiscal Agent and the Registrar (if applicable).

### **Bail-in Conversion**

Upon a Bail-in Conversion, the Issuer will provide a written notice to each relevant clearing system and the holders of Bail-inable Note(s) through such clearing system as soon as practicable regarding such Bail-in Conversion. The Issuer will also deliver a copy of such notice to the Fiscal Agent and the Registrar for information purposes.

By its acquisition of an interest in any Bail-inable Note(s), each holder or beneficial owner of such Bail-inable Note(s) is deemed to have authorized, directed and requested the relevant clearing system and any direct participant in such clearing system or other intermediary through which it holds such Bail-inable Note(s) to take any and all necessary action, if required, to implement the Bail-in Conversion or other action pursuant to the Bail-in Regime with respect to the Bail-inable Note(s), as it may be imposed on it, without any further action or direction on the part of that holder or beneficial owner, the Fiscal Agent or the Registrar.

### **Relationship of Accountholders with Clearing Systems**

For so long as any of the Notes is represented by a Bearer Global Note or a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who for the time being is shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Note standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, and any Paying Agent as the holder of such principal amount in

accordance with and subject to the terms of the relevant Bearer Global Note or Global Certificate and the expressions “**Noteholder**” and related expressions shall be construed accordingly.

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or such Approved Intermediary as the holder of a Note represented by a Bearer Global Note or a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg or such Approved Intermediary (as the case may be) for his or her share of each payment made by the Issuer, to the bearer of such Bearer Global Note or the registered holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Bearer Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg or such Approved Intermediary (as the case may be). Such persons shall have no claim directly against the Issuer, in respect of payments due on the Notes for so long as the Notes are represented by such Bearer Global Note or Global Certificate and such obligations of the Issuer, will be discharged by payment to the bearer of such Bearer Global Note or the registered holder of the Global Certificate, as the case may be, in respect of each amount so paid.

### **Amendment to Conditions**

The Temporary Bearer Global Notes, Permanent Bearer Global Notes and Global Certificates contain provisions which apply to the Notes which they represent, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary only of certain of those provisions:

*Exchange.* Each Temporary Bearer Global Note will be exchangeable in whole or in part for interests in a Permanent Bearer Global Note or, if so provided in a Temporary Bearer Global Note, for definitive Bearer Notes (as described in the next paragraph) after the date falling not earlier than 40 days after the Issue Date of the Notes upon certification as to non-U.S. beneficial ownership (and, in the case of any Notes where the Subscription Agreement specifies that the applicable TEFRA exemption is “**HIRE Act Rules**” also any other requirements specified as requisite to such an exchange in the Final Terms with respect to such Note) in the form set out in the Agency Agreement in the case of Bearer Notes or, in the case of Exchangeable Bearer Notes, for Certificates any time after the Issue Date in the case of Registered Notes. Each Permanent Bearer Global Note is exchangeable in whole (or, in the case of Partly Paid Notes only, in part) at the request of the holder (i) if so provided in a Permanent Bearer Global Note, or (ii) if a Permanent Bearer Global Note is held on behalf of Euroclear or Clearstream, Luxembourg and either of such clearing systems is closed for business for a continuous period of at least 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, or (iii) if an event of default has occurred and continues to occur in relation to the Notes represented thereby, at the cost and expense of the Issuer, for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) Certificates by such holder giving notice to the Fiscal Agent, or by the Issuer giving notice to the Fiscal Agent and the relevant Noteholders of its intention to exchange (at the option, cost and expense of the Issuer) such Permanent Bearer Global Note for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) Certificates, in each case on or after the Exchange Date specified in the notice.

On or after any Exchange Date (as defined below) the holder of a Permanent Bearer Global Note may surrender such Permanent Bearer Global Note to the Fiscal Agent (or, in the case of a partial exchange of Partly Paid Notes only, present it for endorsement to or to the order of the Fiscal Agent). In exchange for any Permanent Bearer Global Note, or the part thereof to be exchanged in the case of Partly Paid Notes only, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Bearer Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the Permanent Bearer Global Note and a Talon), or, in the case of Exchangeable Bearer Notes, the relevant Certificate security printed in accordance with any applicable legal and stock exchange or regulatory authority requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange in full of each Permanent Bearer Global Note, the Issuer will, if the holder so requests, procure that such Bearer Global Note is cancelled and returned to the holder together with the relevant definitive Bearer Notes or, in the case of Exchangeable Bearer Notes, the relevant Certificate.



“**Exchange Date**” means a day falling not less than 60 days after that date on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of an exchange pursuant to (ii) above, in the cities in which the relevant clearing system is located.

The exchange of a Permanent Bearer Global Note for definitive Notes at the request of any holder should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination of at least €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount (such as 1,000) in the relevant currency. Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Notes.

*Payments.* No payment falling due more than 40 days after the Issue Date will be made on a Temporary Bearer Global Note unless exchange for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes or Certificates is improperly withheld or refused. Payments on any Temporary Bearer Global Note during the period up to 40 days after its Issue Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form required by the clearing systems. All payments in respect of Notes represented by a Bearer Global Note will be made against presentation for endorsement and, if no further payment is to be made in respect of the Notes, surrender of that Bearer Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. In respect of Bearer Notes, a record of each payment so made will be endorsed in the appropriate schedule to each Bearer Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes.

Following redenomination of any Notes pursuant to Condition 6(j), the amount of interest due in respect of such Notes represented by a Bearer Global Note or Global Certificate, as the case may be, will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest euro 0.01.

*Notices.* So long as any Notes are represented by a Bearer Global Note or Global Certificate and such Bearer Global Note or Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, notices to Noteholders of that Series may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg for communication by it to entitled accountholders in substitution for publication or mailing, as applicable as required by the Conditions or by delivery of the relevant notice to the holder of the Bearer Global Note or Global Certificate. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which such notice was given to Euroclear or Clearstream, Luxembourg, as applicable.

Notices to be given by any Noteholder may be given to the Fiscal Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

*Prescription.* Claims against the Issuer for payment in respect of any Notes shall be prescribed and become void unless made within a period of 2 years from the appropriate Relevant Date (as defined in Condition 7).

*Meetings.* The holder of a Bearer Global Note or a Global Certificate will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each minimum denomination of Notes for which such Bearer Global Note or Global Certificate may be exchanged.

*Purchase and Cancellation.* Cancellation of any Note surrendered for cancellation following its purchase will be effected by reduction in the principal amount of the relevant Bearer Global Note or relevant Registered Notes represented by a Global Certificate.

*Default.* Each Bearer Global Note and a Global Certificate provides that the holder may cause such Bearer Global Note, or a portion of it, or one or more Registered Notes represented by such Global

Certificate to become due and repayable in the circumstances described in, and as limited by the restrictions set forth in, Condition 9 by stating in the notice to the Fiscal Agent the principal amount of such Bearer Global Note or one or more Registered Notes which will become due and repayable. Following the giving of a notice of an event of default by or through a common depositary for Euroclear and/or Clearstream, Luxembourg or if the holder of a Bearer Global Note so elects, the Bearer Global Note or Registered Notes represented by the Global Certificate will become void as to the specified portion and the persons entitled to such portion as accountholders with Euroclear or Clearstream, Luxembourg will acquire direct enforcement rights against the Issuer under the terms of the Deed of Covenant.

*Issuer's Option.* No drawing of Notes will be required under Condition 5 in the event that the Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a Permanent Bearer Global Note. In the event that any option of the Issuer is exercised in respect to some but not all of the Notes of any Series, the rights of accountholders with Euroclear or Clearstream, Luxembourg or such Approved Intermediary (as the case may be) in respect of the Notes will be governed by the standard procedures of Euroclear or Clearstream, Luxembourg or such Approved Intermediary (as the case may be).

*Noteholders' Option.* Any Noteholders' option may be exercised by the holder of a Global Note giving notice to the Fiscal Agent or the Registrar, as applicable, of the principal amount of Notes in respect of which the option is exercised within the notice period in accordance with the standard procedures of the clearing systems (which may include notice being given on the Noteholder's instruction by the relevant clearing system or any common depositary, as the case may be, for them to be delivered to the Fiscal Agent or the Registrar, as the case may be, by electronic means) in a form acceptable to the relevant clearing systems from time to time.

*Partly Paid Notes.* The provisions relating to Partly Paid Notes will be contained in the Bearer Global Notes. For so long as any instalments of the subscription moneys due from the holder of Partly Paid Notes are due, no interest in a Bearer Global Note representing such Notes may be exchanged for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes (as the case may be). In the event that any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

*Integral multiples of less than SGD200,000 (or the equivalent of such amounts in another currency as at the date of issue of the Notes).* So long as the Notes are represented by a Temporary Bearer Global Note or Permanent Bearer Global Note or a Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) as provided in the applicable Final Terms and higher integral multiples of at least 1,000 in the relevant currency if specified in the applicable Final Terms (the "**Integral Amount**"). If a Bearer Global Note or Global Certificate is exchangeable for definitive Notes at the option of the Noteholder or the Issuer, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

## **USE OF PROCEEDS**

Unless otherwise indicated in the applicable Final Terms, the net proceeds from each issue of Notes will be added to the general funds of the Issuer.

## CERTAIN TAX LEGISLATION AFFECTING

### THE NOTES

#### Canada

The following summary describes the principal Canadian federal income tax considerations generally applicable to a holder of Notes who acquires, as beneficial owner, Notes pursuant to this Prospectus or common shares of the Bank or affiliate of the Bank as a Bail-in Conversion (“**Common Shares**”), and who, at all relevant times, for the purposes of the application of the *Income Tax Act* (Canada) (the “**Tax Act**”): (a) is not resident and is not deemed to be resident in Canada; (b) deals at arm’s length with the Bank, any issuer of Common Shares, and any transferee resident (or deemed to be resident) in Canada to whom the holder disposes of Notes; (c) does not use or hold Notes or Common Shares in or in the course of carrying on a business in Canada; (d) is entitled to receive all payments (including any interest and principal) on the Notes as beneficial owner; (e) is not a “specified non-resident shareholder” of the Bank for purposes of the Tax Act or a non-resident person not dealing at arm's length with a “specified shareholder” (within the meaning of Subsection 18(5) of the Tax Act) of the Bank; and (f) is not an insurer that carries on an insurance business in Canada and elsewhere (a “**Non-resident Holder**”).

This summary is based upon the provisions of the Tax Act and the regulations thereunder (the “**Regulations**”) in force on the date hereof and an understanding of the current administrative practices and assessing policies of the Canada Revenue Agency. This summary takes into account all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice, whether by legislative, regulatory, administrative or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

**This summary is of a general nature only and is not exhaustive of all Canadian federal income tax considerations. It is not intended to be legal or tax advice to any particular holder, or in respect of any particular issuance of Notes, the terms and conditions of which will be material to the Canadian federal income tax considerations with respect thereto. The Canadian federal income tax considerations may be supplemented, amended and/or replaced in a Supplementary Prospectus or applicable Final Terms based on the terms and conditions of the Notes issued pursuant to such Supplementary Prospectus or Final Terms, as the case may be. Accordingly, prospective investors should consult their own tax advisors with respect to their particular circumstances and in any event where Notes are otherwise issued without disclosure of Canadian federal income tax considerations.**

Interest paid or credited or deemed to be paid or credited by the Bank on a Note (including amounts on account of, or in lieu of, or in satisfaction of interest) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless all or any portion of such interest (other than on a “prescribed obligation” described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. A “prescribed obligation” is an “**indexed debt obligation**” (defined below) no amount payable in respect of which, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon any of the criteria described in the preceding sentence. An “**indexed debt obligation**” is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding that is determined by reference to a change in the purchasing power of money.

In the event that a Note the interest (or deemed interest) payable on which is not exempt from Canadian withholding tax is redeemed, cancelled or purchased by the Bank or any other person resident or

deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof, the excess may be deemed to be interest and may, together with any interest that has accrued on the Note to that time, be subject to non-resident withholding tax. Such excess will not be subject to withholding tax if the Note is considered to be an “excluded obligation” for purposes of the Tax Act. A Note that: (a) is not an indexed debt obligation; (b) was issued for an amount not less than 97 per cent. of the principal amount (as defined in the Tax Act) of the Note, and (c) the yield from which, expressed in terms of an annual rate (determined in accordance with the Tax Act) on the amount for which the Note was issued does not exceed  $\frac{4}{3}$  of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time, will be an excluded obligation for this purpose.

Generally, there are no other taxes on income (including taxable capital gains) payable by a Non-resident Holder on interest, discount, or premium on a Note or on the proceeds received by a Non-resident Holder on the disposition of a Note including a redemption, payment on maturity, Bail-in Conversion, cancellation or purchase). However, additional Canadian federal income tax considerations could be relevant if a Note may be physically settled otherwise than on a Bail-in Conversion; such considerations will be described particularly in the relevant Supplementary Prospectus for such Notes.

Dividends paid or credited, or deemed under the Tax Act to be paid or credited, on Common Shares of the Bank or of any affiliate of the Bank that is a Canadian resident corporation to a Non-resident Holder will generally be subject to Canadian non-resident withholding tax at the rate of 25% on the gross amount of such dividends unless the rate is reduced under the provisions of an applicable income tax treaty or convention between Canada and the country of residence of the Non-resident Holder.

A Non-resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share unless the Common Share is or is deemed to be “taxable Canadian property” of the Non-resident Holder for the purposes of the Tax Act and the Non-resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-resident Holder is resident.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, withholding may be required on, among other things, (i) certain payments made by “foreign financial institutions” (“**foreign passthru payments**”), (ii) dividend equivalent payments (as described below in “U.S. Dividend Equivalent Withholding (Section 871(m)/HIRE Act)”) and (iii) payments of gross proceeds from the disposition of securities that generate dividend equivalent payments, in each case, to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Canada and the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. 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.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments or payments of gross proceeds from the disposition of Notes that generate dividend equivalent payments, such withholding would not apply prior to 1 January 2019 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 prior to the relevant grandfathering date would generally be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the relevant 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 passthrough payment are filed with the Federal Register, and (B) Notes that give rise to a dividend equivalent pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder, is six months after the date on which obligations of its type are first treated as giving rise to dividend equivalents. If additional Notes (as described under “Terms and Conditions of the Notes—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 advisers regarding how these rules may apply to their investment in Notes.

### **U.S. Dividend Equivalent Withholding (Section 871(m)/HIRE Act)**

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% 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). U.S. Treasury regulations issued under Section 871(m) and applicable guidance (the “**Section 871(m) Regulations**”) require withholding on certain non-U.S. holders of the Notes with respect to amounts treated as dividend equivalent payments. Under the Section 871(m) Regulations, only a Note that has an expected economic return sufficiently similar to that of the underlying U.S. security, based on tests set forth in the Section 871(m) Regulations, will be subject to the Section 871(m) withholding regime (making such 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 U.S. Internal Revenue Service. Refund claims are subject to U.S. tax law requirements and there can be no assurance that a particular refund claim will be timely paid or paid at all. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

The Section 871(m) Regulations will generally apply to Specified Securities issued on or after January 1, 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, payments on the Specified Securities may be calculated by reference to dividends on underlying 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 will 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.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in an Amended and Restated Distribution Agreement dated December 12, 2018 (the “**Distribution Agreement**” which expression shall include any amendment or supplements thereto or restatements thereof) between the Issuer and the Permanent Dealers (the “**Permanent Dealers**”), the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers, however the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers which are not Permanent Dealers under and pursuant to the terms of the Distribution Agreement (together with the Permanent Dealers, the “**Dealers**”). Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Distribution Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission depending upon maturity in respect of Notes subscribed or procured for subscription by it. The Issuer has agreed to reimburse the Dealers for certain of their expenses incurred in connection with the establishment and update of the Programme and the issue of Notes under the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all the Dealers or any of them by the Issuer or, in relation to itself and the Issuer only, by any Dealer, at any time on giving not less than ten business days’ notice.

Each purchaser of a Note will arrange for payment as instructed by the applicable Dealer. The Dealers are required to deliver the proceeds of the Notes to the Issuer in immediately available funds, to a bank designated by the Issuer in accordance with the terms of the Distribution Agreement, on the date of settlement.

### United States

The Notes and, in certain cases, the Entitlement have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state or other jurisdiction in the United States. The Notes are only being offered and sold outside the United States to persons that are not U.S. persons within the meaning of and in reliance on Regulation S under the Securities Act (“**Regulation S**”) and may not be offered, sold or delivered, directly or indirectly, within the United States, its territories or possessions or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 or 904 of Regulation S and in accordance with all applicable securities laws of any state of the United States. Terms used in this paragraph have the meanings given to them by Regulation S.

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 U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Each Permanent Dealer has agreed and each further Dealer will agree that it will not offer, sell or deliver a Note in bearer form within the United States or to U.S. persons. Terms used in this paragraph have the meanings given to them by the Code.

Each Permanent Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer and each relevant Dealer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, in accordance with Rule 903 of Regulation S, within the United States, its territories or possessions or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S of the Securities Act, it will not engage in any directed selling efforts with respect to the Notes of any Tranche, except in accordance with Regulation S of the Securities Act and it will have sent to each Dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the



Notes within the United States, its territories and possessions or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the completion of the offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## Canada

Each Permanent Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that the Notes have not been and will not be qualified for sale under the securities laws of Canada or any province or territory thereof and has represented and agreed that it has not offered, sold or distributed, and that it will not offer, sell or distribute, any Notes, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof (i) without the prior written consent of the Issuer; and, (ii) if such consent is granted, in contravention of the securities laws of Canada or any province or territory thereof. Each Permanent Dealer has also agreed and each further Dealer appointed under the Programme will be required to agree not to distribute or deliver this Prospectus, or any other offering material relating to the Notes in Canada (i) without the prior written consent of the Issuer; and, (ii) if such consent is granted, in contravention of the securities laws of Canada or any province or territory thereof.

## 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 the 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 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each a “**Relevant Member State**”), each Permanent Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer, or

(iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable any investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### **United Kingdom**

Each Permanent Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2006 (“**FSMA**”) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not or would not if it was not, an authorised person, apply to the Issuer; and

(ii) 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.

### **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 Permanent 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.

### **Hong Kong**

Each Permanent 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 (a) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); (b) to “professional investors” as defined in the SFO and any rules made under the SFO; or (c) 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 or which do not constitute an offer to the public within the meaning of that Ordinance; 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.

## Italy

As of the date of this Prospectus, the Issuer is not licensed to “collect deposits and other funds with the obligation to reimburse” in the Republic of Italy and therefore, the Issuer and 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 delivered Notes, nor has it distributed copies of the Prospectus or any other document relating to the Notes in the Republic of Italy and that no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy unless such license has been obtained .

Upon the issuance of the license to “collect deposits and other funds with the obligation to reimburse” in the Republic of Italy, the following selling restrictions shall apply:

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“**Regulation No. 11971**”); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority;

*Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971.*

*Failure to comply with such rules may result in the sale of such Notes being declared null and void and the intermediary transferring the financial instruments will be liable for any damages suffered by the investors.*

## **France**

Each of the Permanent Dealers and the Issuer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 of the French Code *monétaire et financier*.

## **Singapore**

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore and the Notes will be offered pursuant to exemptions under the SFA. Accordingly, this Prospectus or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes may not be circulated or distributed, nor may the Notes be offered or sold or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

- (i) to an institutional investor (as defined in Section 4A of 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 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; or
- (4) as specified in Section 276(7) of the SFA.

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

## **General**

These selling restrictions may be supplemented or modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such supplement or modification will be set out in the Final Terms issued in respect of the Tranche or Series of Notes to which it relates or in a Supplementary Prospectus.

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required. Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the Dealers shall have any responsibility therefor.

## GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The establishment and update of the Programme and the issue of Notes thereunder was authorised by Resolutions of the Board of Directors of the Bank passed on June 24, 2013, August 28, 2015, October 25, 2016, October 26, 2018 and May 29, 2018.
2. Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: “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”.
3. There has been no significant change in the financial or trading position of the Bank and its subsidiaries taken as a whole since October 31, 2018, being the date of the latest audited published consolidated financial statements of the Bank for the year ended October 31, 2018 and no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole since October 31, 2018, being the date of the latest audited published consolidated financial statements of the Bank.
4. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code and the International Securities Identification Number (“ISIN”) for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg and details of any other agreed clearance system will be set out in the applicable Final Terms. The applicable Final Terms shall specify any other clearing system that shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

5. From the date hereof and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents will, be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the head office of the Bank and at the specified office of the Fiscal Agent:
  - (i) the Agency Agreement (which includes the form of the Bearer Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
  - (ii) the Deed of Covenant;
  - (iii) the Bank Act (being the charter of the Bank) and By-laws of the Bank;
  - (iv) the Annual Statements of the Bank, including the Annual Information Form, the Annual Report which includes the audited Consolidated Financial Statements for the fiscal years ended October 31, 2018 and October 31, 2017, the auditors’ report therein, and the Management’s Discussion and Analysis for the year ended October 31, 2018 and the Report on Form 40-F for the fiscal year ended October 31, 2018;
  - (v) each Final Terms for Notes which are listed on the SGX-ST;
  - (vi) a copy of this Prospectus together with any further or Supplementary Prospectuses when published.
6. Copies of the latest annual financial statements, annual management discussion and analysis, interim financial statements and interim management discussion and analysis, to shareholders of

the Bank may be obtained, and copies of the Agency Agreement and Deed of Covenant will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes are outstanding.

7. The Prospectus 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 at <http://www.sgx.com>.
8. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
9. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
10. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Notes.

## PRO FORMA FINAL TERMS

**[MIFID II PRODUCT GOVERNANCE / TARGET MARKET** - Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); 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.]

**[IMPORTANT – 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 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the Prospectus Directive). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>2</sup>

**[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA) - [To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)]".]**<sup>3</sup>

**[The Notes are subject to conversion in whole or in part – by means of a transaction or series of transactions and in one or more steps – into common shares of the Bank of Nova Scotia or any of its affiliates under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act (the "CDIC Act") and to variation or extinguishment in consequence, and subject to the application of the laws of the Province of Ontario and the federal laws of Canada applicable therein in respect of the operation of the CDIC Act with respect to these Notes.]**<sup>4</sup>

### Final Terms dated [•]

The Bank of Nova Scotia  
Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]  
under the U.S.\$7,500,000,000  
Medium Term Note Programme

## PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of Notes described herein.

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 Prospectus dated December 12, 2018 [and the supplemental

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<sup>2</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case insert "Applicable" in paragraph 6(iv) of Part B below.

<sup>3</sup> 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.

<sup>4</sup> Legend to be included on front of the Final Terms if the Notes are Bail-inable Notes.



Prospectus dated [●] which [together] constitute[s] a base prospectus (the “**Prospectus**”). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with such Prospectus [as so supplemented]. 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 Prospectus [as so supplemented]. The Prospectus [and the supplemental prospectus] [is] [are] available for viewing during normal office hours at the office of the Fiscal Agent, Registrar and Transfer Agent and copies may be obtained from the principal office of the Issuer. The 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 at <http://www.sgx.com>.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a 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 Prospectus dated [original date] which are incorporated by reference in the Prospectus dated December 12, 2018 and are attached hereto. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Prospectus dated December 12, 2018 [and the supplemental Prospectus dated [●]], which [together] constitute[s] a base prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated December 12, 2018 [and the supplemental Prospectus dated [●]]. The Prospectus dated December 12, 2018 [and the supplemental Prospectus(es)] and the Conditions which are extracted from the Prospectus dated [original date] and are incorporated by reference in the Prospectus dated December 12, 2018 are available for viewing during normal business hours at the office of the Fiscal Agent, Registrar and Transfer Agent and copies may be obtained from the principal office of the Issuer. The Prospectus dated December 12, 2018 [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 at <http://www.sgx.com>.

*[Consider including the following paragraphs for Index Linked Notes, Equity Linked Notes, Commodity Linked Notes, Credit Linked Notes and Fund Linked Notes.]*

*[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 judgment 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. Neither the Issuer nor any Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.*

**AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE LESS THAN THE NOMINAL AMOUNT OF THE**

**NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. [WHERE THE NOTES ARE REDEEMED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S) THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. THE INVESTOR ASSUMES THE CREDIT RISK OF THE ISSUER FOR ALL PAYMENTS UNDER THE NOTES.]**

**INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.**

The information included herein with respect to indices and/or formulas comprising, based on or referring to variations in the prices of one or more shares in companies, any other equity or non-equity securities, currencies or currency exchange rates, interest rates, credit risks, fund units, shares in investment companies, term deposits, life insurance contracts, loans, commodities or futures contracts on the same or any other underlying instrument(s) or asset(s) or the occurrence or not of certain events not linked to the Issuer or any other factors to which the Notes are linked (the “**Underlyings**”) consists only of extracts from, or summaries of publicly available information. The Issuer accepts responsibility that such extracts or summaries have been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Underlyings, no facts have been omitted that would render the reproduced extracts or summaries inaccurate or misleading. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, neither the Issuer nor any Dealer accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Underlyings of the Notes or that there has not occurred any event which would affect the accuracy or completeness of such information.

The purchase of Notes issued under the Programme is associated with certain risks. Each prospective investor in Notes must ensure that the complexity and risks inherent in the Notes are suitable for its investment objectives and are appropriate for itself or the size, nature and condition of its business, as the case may be. No person should deal in the Notes unless that person understands the nature of the relevant transaction and the extent of that person’s exposure to potential loss. Each prospective purchaser of Notes should consider carefully whether the Notes are suitable for it in light of its circumstances and financial position. Prospective investors in Notes should consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Notes for them as an investment.

**INVESTORS SHOULD REFER TO THE SECTION HEADED “RISK FACTORS” IN THE PROSPECTUS FOR A DISCUSSION OF CERTAIN MATTERS THAT SHOULD BE CONSIDERED WHEN MAKING A DECISION TO INVEST IN THE NOTES.**

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

1. Issuer: [ ]  
[Indicate branch where applicable]
  2. [(i)] Series Number: [ ]
  - [(ii)] Tranche Number: [ ]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)*
3. Specified Currency or Currencies: [ ]
  4. Aggregate Principal Amount:
    - [(i)] Series: [ ]
    - [(ii)] Tranche: [ ]
  5. Issue Price: [ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] (if applicable)]
  6. (i) Specified Denomination(s): [ ]
- So long as the Notes are represented by a Temporary Bearer Global Note or a Permanent Bearer Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples.*
- (ii) Calculation Amount: [ ]
- [If there is only one Specified Denomination and no integral multiples in excess thereof, insert the Specified Denomination. If there is more than one Specified Denomination and no integral multiples in excess thereof, insert the highest common factor of the Specified Denominations. If there are integral multiples in excess of the Specified Denomination(s), insert the highest common factor of the integral multiples and the Specified Denomination(s).] [Note: There must be a common factor in the case of integral multiples in excess of the Specified Denomination(s) or two or more Specified Denominations].*
7. RMB Notes: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) RMB Currency Event: [Applicable/Not Applicable]
- (ii) Relevant Currency: [*Specify*/As per Conditions]
- (iii) RMB Settlement Centre(s): [*Specify*/As per Conditions]
8. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [*Specify*/Issue Date/Not Applicable]
9. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*] [the “**Scheduled Maturity Date**”, subject as provided in the Credit Linked Conditions and paragraph 31 below]
10. Interest Basis:<sup>5</sup> [ • per cent. Fixed Rate] [Subject to change as indicated in paragraph 12 below]  
 [[*specify reference rate*] +/- • per cent. Floating Rate] [Subject to change as indicated in paragraph 12 below]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Equity Linked Interest]  
 [Commodity Linked Interest]  
 [Fund Linked Interest]  
 [Other(*specify*)]  
 (further particulars specified below)
11. [(a)]Redemption/Payment Basis:<sup>1</sup> [Redemption at par]  
 [Index Linked Redemption]  
 [Equity Linked Redemption]  
 [Commodity Linked Redemption]  
 [Fund Linked Redemption]  
 [Credit Linked Redemption]  
 [Dual Currency]  
 [Partly Paid]  
 [Instalment] (*Instalment not applicable to Bail-inable Notes*)  
 [Other (*specify*)]
- [(b)] Protection Amount: [Principal Protected/[ ] per cent. Of the Calculation Amount/Not Applicable<sup>6</sup>]
12. Change of Interest or Redemption/Payment [Applicable/Not Applicable]

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<sup>5</sup> *If any interest payable on a Reference Item Linked Note issued by the Bank, or any portion of the principal amount of a Reference Item Linked Note issued by the Bank in excess of its issue price, is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends, interest on such Note, together with any such portion of such principal, may be subject to Canadian non-resident withholding tax. The Issuer should obtain an opinion of counsel or otherwise obtain confirmation that the Issuer is not obliged to withhold or deduct amounts from payments of principal or interest on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Canada or, in addition, if the Issuer’s branch of account is located outside Canada, the country in which such branch of account is located or any political subdivision or authority therein or thereof having power to tax.*

<sup>6</sup> *Only applies to Reference Item Linked Notes*

- Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
13. Put/Call Options: [Issuer's Option]  
[Noteholders' Option] [Not Applicable]  
*(Noteholders' Option not applicable to Bail-inable Notes)*  
[(further particulars specified below)]
14. Status of the Notes: Senior
15. Method of distribution: [Syndicated/Non-syndicated]
16. Bail-inable Notes: [Yes/No][Not Applicable]

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

17. **Fixed Rate Note Provisions:** [Applicable/Not Applicable][Applicable] in respect of the period from [the Interest Commencement Date]/[ ] to [ ]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Rate(s): [ ] per cent. per annum [payable [annually/semi-annually/quarterly /monthly/other (*specify*)] in arrear] in respect of the period from [the Interest Commencement Date]/[ ] to [ ]
- (ii) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*] commencing on [ ], [adjusted/not adjusted]
- [N.B. Amend for long or short coupons]*
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
- (iv) Business Centre(s): [ ]
- (v) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount/Not Applicable
- (vi) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling in/on [ ]/Not Applicable
- (vii) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / other]

- (viii) [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. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
- (ix) Day Count Fraction: [[Actual/365] [Actual/Actual] [Actual/365 (Fixed)] [Actual/Actual – ICMA] [Actual/360]/[Actual/365 Sterling]/[30/360]/[30E/360]/[Eurobond Basis]]
- (x) [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. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
- (xi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
18. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph.)*
- (i) Interest Period Dates: [ ]
- (ii) Interest Payment Date(s): [ ]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (iv) Business Centre(s): [ ]
- (v) Primary Source: [Screen Rate/ Reference Banks/other (*give details, including reference rate*)]
- (vi) Benchmark and Relevant Currency: [ ]
- (vii) Calculation Agent: [ ]
- (viii) Relevant Screen Page: [ ]
- (ix) Interest Determination Date(s): [ ]
- (x) Reference Banks: [*specify four*]
- (xi) Relevant Time: [ ]
- (xii) Specified Duration: [*specify period for quote, if not duration of Interest Period*]

- (xiii) Representative Amount: [ ]
- (xiv) Margin(s): [+/-][ ] per cent. per annum
- (xv) Rate Multiplier: [Applicable/Not Applicable]  
(specify formula)
- (xvi) Minimum Interest Rate: [ ] per cent. per annum
- (xvii) Maximum Interest Rate: [ ] per cent. per annum
- (xviii) Day Count Fraction: [Actual/Actual][Actual/Actual  
(ICMA)][Actual/365 (Fixed)][Actual/365  
(Sterling)]  
[Actual/360][30/360][30E/360][Other]  
(See Condition 4(i) for alternatives)
- (xix) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xx) Effective Date: [ ]
19. **Zero Coupon/High Interest/Low Interest Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Amortisation 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: [Actual/Actual][Actual/Actual  
(ICMA)][Actual/365 (Fixed)][Actual/365  
(Sterling)] [Actual/360][30/360][30E/360]  
[Condition 4(i) apply/specify other]  
(Consider applicable day count fraction if not U.S. dollar denominated)
20. **Index Linked Interest Note Provisions** [Applicable/Not Applicable]  
[The provisions of Annex 1 of the Terms and Conditions – *Additional Terms and Conditions for Index Linked Notes* shall apply.]  
(If not applicable, delete the remaining sub-

*paragraphs of this paragraph)*

- (i) Index/ Basket of Indices/ Index Sponsor(s): [ ]  
[The [ ] Index is a Unitary Index/Multi-Exchange Index/Proprietary Index]  
[The Index Sponsor for the [ ] Index is [ ]]  
[The Index Currency for the [ ] Index is [ ]]
- (ii) Formula for calculating interest rate: [ ]
- (iii) Calculation Agent responsible for making calculations in respect of the Notes: [ ]
- (iv) Provisions for determining coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable, including market or settlement disruption events: [ ]
- (v) Interest Period or calculation period(s): [ ]
- (vi) Interest Payment Dates: [ ]
- (vii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (viii) Business Centre(s): [ ]
- (ix) Minimum Rate of Interest: [ ] per cent. per annum
- (x) Maximum Rate of Interest: [ ] per cent. per annum
- (xi) Day Count Fraction: [ ]
- (xii) Averaging: [The Averaging Dates are [ ].]  
[In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/ Modified Postponement] will apply.]  
[Common Scheduled Trading Days will apply.]  
*(N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)*
- (xiii) Index Performance: [ ]
- (xiv) Exchange Rate: [Applicable/Not Applicable]



[insert details]

- (xv) Weighting: The weighting to be applied to each item comprising the Basket to ascertain the Index Performance is [ ]. (N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)
- (xvi) Exchange(s): [ ]
- (xvii) Related Exchange: [ ]/[All Exchanges]
- (xviii) Valuation Date(s): [ ]
- [Common Scheduled Trading Days will apply.]  
(N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)
- (xix) Valuation Time: [ ]
- (xx) Observation Date(s): [ ]
- (xxi) Observation Period: [Applicable: [Extension/No Extension] /Not Applicable]
- (a) Observation Period Start Date: [[Including/Excluding] [ ]/Not Applicable]
- (b) Observation Period End Date: [[Including/Excluding] [ ]/Not Applicable]
- (xxii) Barrier Event: [Not Applicable/Barrier Event (intraday)/Barrier Event (closing)/Common Scheduled Trading Days]
- (xxiii) Barrier Level: [[ ]/Not Applicable]
- (xxiv) 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]  
(N.B. Only applicable where provisions in Index Linked Conditions are not appropriate)
- (xxv) Trade Date: [ ]
- (xxvi) Additional Disruption Events: The following Additional Disruption Events apply to the Notes:  
[Change in Law: [Applicable/Not Applicable]]  
[Hedging Disruption: Applicable/Not Applicable]]  
[Increased Cost of Hedging: Applicable/Not Applicable]]
- (xxvii) Other terms or special conditions: [ ]

21. <b>Equity Linked Interest Note Provisions</b>	<p>[Applicable/Not Applicable]  [The provisions of Annex 2 of the Terms and Conditions – <i>Additional Terms and Conditions for Equity Linked Notes</i> shall apply.]</p> <p><i>(If not applicable, delete remaining subparagraphs of this paragraph)</i></p>
(i) Share(s)/Basket of Share(s):	[ ]
(ii) Formula for calculating interest rate:	[ ]
(iii) Calculation Agent responsible for making calculations in respect of the Notes:	[ ]
(iv) Provisions for determining coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable, including market or settlement disruption events:	[ ]
(v) Interest Period or calculation period(s):	[ ]
(vi) Interest Payment Dates:	[ ]
(vii) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other ( <i>give details</i> )]
(viii) Business Centre(s):	[ ]
(ix) Minimum Rate of Interest:	[ ] per cent. per annum
(x) Maximum Rate of Interest:	[ ] per cent. per annum
(xi) Day Count Fraction:	[ ]
(xii) Averaging:	<p>[The Averaging Dates are [ ].]  [In the event that an Averaging Date is a Disrupted Day,  [Omission/Postponement/Modified Postponement] will apply.]  [Common Scheduled Trading Days will apply.]  <i>(N.B. May only be applicable in relation to Equity Linked Notes relating to a Basket)</i></p>
(xiii) Share Performance:	[ ]
(xiv) Exchange Rate:	<p>[Applicable/Not Applicable]  <i>[insert details]</i></p>

(xv)	Weighting:	The weighting to be applied to each item comprising the Basket to ascertain the Equity Performance is [ ]. <i>(N.B. May only be applicable in relation to Equity Linked Notes relating to a Basket)</i>
(xvi)	Exchange(s):	[ ]
(xvii)	Related Exchange:	[ ]/[All Exchanges]
(xviii)	Valuation Date(s):	[ ]  [Common Scheduled Trading Days will apply.] <i>(N.B. May only be applicable in relation to Equity Linked Notes relating to a Basket)</i>
(xix)	Valuation Time:	[ ]
(xx)	Observation Date(s):	[ ]
(xxi)	Observation Period:	[Applicable: [Extension/No Extension] /Not Applicable]
	(a) Observation Period Start Date:	[[Including/Excluding] [ ]/Not Applicable]
	(b) Observation Period End Date:	[[Including/Excluding] [ ]/Not Applicable]
(xxii)	Barrier Event:	[Not Applicable/Barrier Event (intraday)/Barrier Event (closing)/Common Scheduled Trading Days]
(xxiii)	Barrier Level:	[[ ]/Not Applicable]
(xxiv)	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] <i>(N.B. Only applicable where provisions in Index Linked Conditions are not appropriate)</i>
(xxv)	Tender Offer:	[Applicable/Not Applicable]
(xxvi)	Share Substitution:	[Applicable/Not Applicable] [If Applicable: Share Substitution Criteria is [ ]]
(xxvii)	Local Tax Adjustment:	[Applicable/Not Applicable] Local Jurisdiction: [ ]
(xxviii)	Trade Date:	[ ]
(xxix)	Additional Disruption Events:	The following Additional Disruption Events apply to the Notes: [Change in Law: Applicable/Not Applicable] [Hedging Disruption: Applicable/Not Applicable]

[Increased Cost of Hedging: Applicable/Not Applicable]  
 [Increased Cost of Stock Borrow: Applicable/Not Applicable]  
 [Initial Stock Loan Rate: [Applicable/Not Applicable] [ ]]  
 [Insolvency Filing: Applicable/Not Applicable]  
 [Loss of Stock Borrow: Applicable/Not Applicable]  
 [Maximum Stock Loan Rate: [Applicable/Not Applicable] [ ]]

(xxx) Other terms or special conditions: [ ]

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

*(If not applicable, delete the remaining subparagraphs 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: [ ]

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

(iv) Provisions for determining coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable, including market or settlement disruption events: [ ]

(v) Interest Period or calculation period(s): [ ]

(vi) Interest Payment Dates: [ ]

(vii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]

(viii) Business Centre(s): [ ]

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

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

(xi)	Day Count Fraction:	[    ]
(xii)	Commodity Reference Price:	[    ]
(xiii)	Price Source:	[    ]
(xiv)	Exchange:	[    ]
(xv)	Delivery Date:	[    ]
(xvi)	Pricing Date:	[    ]
(xvii)	Common Pricing:	[Applicable/Not Applicable] ( <i>N.B. Only applicable in relation to Commodity Linked Notes relating to a Basket</i> )
(xviii)	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 the Commodity Linked Conditions]/ [    ] [Fallback Reference Price: alternate Commodity Reference Price – [    ]] [Commodity Cut-off Date: [    ]] Commodity Index Cut-Off Date: [    ]
(xix)	Commodity Business Day:	[    ]
(xx)	Trade Date:	[    ]
(xxi)	Weighting:	The weighting to be applied to each item comprising the Basket is [    ] ( <i>N.B. Only applicable in relation to Commodity Linked Notes relating to a Basket</i> )
(xxii)	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]
(xxiii)	Other terms or special conditions:	[    ]

23. **Fund Linked Interest Notes**

[Applicable/Not Applicable]

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

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

- (i) Fund/Basket of Funds: [ ] [The [ ] Fund is an ETF.]  
[[The Exchange for each Fund Share: [ ]]  
[Related Exchange for each Fund Share:  
[ ]/All Exchanges]]  
[Underlying Index for each ETF: [ ]]  
*(N.B. Include for ETFs)*
- (ii) Fund Interests: [ ]
- (iii) Formula for calculating interest rate: [ ]
- (iv) Calculation Agent responsible for making calculations in respect of the Notes: [ ]
- (v) Provisions for determining coupon where calculation by reference to Fund/Basket of Funds and/or other variable is impossible or impracticable, including market or settlement disruption events: [ ]
- (vi) Interest Period or calculation period(s): [ ]
- (vii) Interest Payment Dates: [ ]
- (viii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (ix) Business Centre(s): [ ]
- (x) Minimum Rate of Interest: [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Day Count Fraction: [ ]
- (xiii) Trade Date: [ ]
- (xiv) Averaging Date(s): [ ]
- (xv) Valuation Date(s): [ ]
- (xvi) Valuation Time: [ ]

- (xvii) Additional Disruption Event: Change in Law: [Applicable/Not Applicable]  
Hedging Disruption: [Applicable/Not Applicable]  
Increased Cost of Hedging: [Applicable/Not Applicable]
- (xviii) Other terms or special conditions: [Merger Event: Merger Date on or before [the Valuation Date/other]]

24. **Dual Currency Note Provisions** [Applicable/Not Applicable]

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

- (i) Rate of Exchange/method of calculating the principal and/or interest due: [ ]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [ ]
- (iii) Provisions applicable where calculations by reference to Rate of Exchange impossible or impracticable, including market or settlement disruption events: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

**PROVISIONS RELATING TO REDEMPTION**

25. **Issuer Option (Call)** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs 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) If redeemable in part:
- (a) Minimum Redemption Amount: [ ] per Calculation Amount
- (b) Maximum Redemption Amount: [ ] per Calculation Amount
- (iv) Issuer's Option Period:<sup>7</sup> [ ]

26. **Noteholder Option (Put)** [Applicable/Not Applicable]

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<sup>7</sup> If setting notice periods which are different to those provided in the Terms and Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and Fiscal Agent.

*(If not applicable, delete the remaining subparagraphs 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) Noteholder's Option Period:<sup>3</sup> [ ]
27. **Bail-inable Note – TLAC Disqualification Event Call:** [Applicable][Not Applicable]
28. **Final Redemption Amount of each Note** [[ ] per Calculation Amount Amount/specify other/Not Applicable]

*(For Index Linked, Equity Linked, Commodity Linked, Fund Linked Redemption Notes and Credit Linked Notes state "Not Applicable" and complete relevant section in paragraphs 28 – 32 below)*

29. **Early Redemption Amount**

- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons [TLAC Disqualification Event] or on event of default and/or the method of calculating the same (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 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 (if required or if different from that set out in Condition 6(d)): [ ] per Calculation Amount
- (N.B. In the case of Index Linked, Equity Linked and Commodity Linked Notes and, Fund Linked Redemption 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)*

30. **Index Linked Redemption Notes**

[Applicable/Not Applicable]

[The provisions of Annex 1 of the Terms and Conditions – *Additional Terms and Conditions for Index Linked Notes* shall apply.]

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

- (i) Index/ Basket of Indices/ Index [ ]  
[The [ ] Index is a Unitary Index/Multi-



- Sponsor(s): Exchange Index/Proprietary Index  
 [The Index Sponsor for the [ ] Index is  
 [ ]]  
 [The Index Currency for the [ ] Index is  
 [ ]]
- (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] will apply.]  
 [Common Scheduled Trading Days will apply.]
- (N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)*
- (v) Index Performance: [ ]
- (vi) Payment Date: [ ]
- (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 [ ]. *(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): [ ]
- (xii) Valuation Time: [ ]
- (xiii) Observation Date(s): [ ]
- (xiv) Observation Period: [Applicable: [Extension/No Extension] /Not Applicable]  
 (a) Observation Period Start Date: [[Including/Excluding][ ]/Not Applicable]  
 (b) Observation Period End Date: [[Including/Excluding][ ]/Not Applicable]
- (xv) Barrier Event: [Not Applicable/Barrier Event (intraday)/Barrier Event (closing)/Common Scheduled Trading Days]
- (xvi) Barrier Level: [[ ]/Not Applicable]

(xvii)	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 <i>[insert calculation method]</i> <i>(N.B. Only applicable where provisions in Index Linked Conditions are not appropriate)</i>
(xviii)	Trade Date:	[     ]
(xix)	Additional Disruption Events:	The following Additional Disruption Events apply to the Notes: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
(xx)	Other terms or special conditions:	[     ]
31.	<b>Equity Linked Redemption Notes</b>	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>  [The provisions of Annex 2 of the Terms and Conditions – <i>Additional Terms and Conditions for Equity Linked Notes</i> shall apply.]
(i)	Equity(ies)/Basket of 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] will apply.] [Common Scheduled Trading Days will apply.]  <i>(N.B. May only be applicable in relation to Equity Linked Notes relating to a Basket)</i>
(v)	Equity Performance:	[     ]
(vi)	Exchange Rate:	[Applicable/Not Applicable] <i>[insert details]</i>
(vii)	Weighting:	The weighting to be applied to each item comprising the Basket to ascertain the Equity Performance is [     ]. <i>(N.B. Only applicable in relation to Equity Linked Notes relating to a Basket)</i>
(viii)	Exchange(s):	[     ]

(ix)	Related Exchange:	[ ]/[All Exchanges]
(x)	Valuation Date(s):	[ ] [Common Scheduled Trading Days will apply.] (N.B. <i>May only be applicable in relation to Equity Linked Notes relating to a Basket</i> )
(xi)	Valuation Time:	[ ]
(xii)	Observation Date(s):	[ ] [Common Scheduled Trading Days will apply.] (N.B. <i>May only be applicable in relation to Equity Linked Notes relating to a Basket</i> )
(xiii)	Observation Period:	[Applicable: [Extension/No Extension] /Not Applicable]
	(a) Observation Period Start Date:	[[Including/Excluding][ ]/Not Applicable]
	(b) Observation Period End Date:	[[Including/Excluding][ ]/Not Applicable]
(xiv)	Barrier Event:	[Not Applicable/Barrier Event (intraday)/Barrier Event (closing)/Common Scheduled Trading Days]
(xv)	Barrier Level:	[[ ]/Not Applicable]
(xvi)	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 <i>[insert calculation method]</i> (N.B. <i>Only applicable where provisions in Equity Linked Conditions are not appropriate</i> )
(xvii)	Trade Date:	[ ]
(xviii)	Additional Disruption Events:	The following Additional Disruption Events apply to the Notes: [Change in 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: [ ]]
(xix)	Other terms or special conditions:	[ ]
32.	<b>Commodity Linked Redemption Notes</b>	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>  [The provisions of Annex 3 of the Terms and Conditions – <i>Additional Terms and Conditions for Commodity Linked Notes</i> 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: [ ]
- (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 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 the Commodity Linked Conditions]/[ ]  
 [Fallback Reference Price: alternate Commodity Reference Price – [ ]]  
 [Commodity Cut-Off Date: [ ]]  
 [Commodity Index Cut-Off Date: [ ]]
- (xi) Commodity Business Day: [ ]
- (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: [ ]
33. **Fund Linked Redemption 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 Fund Linked Notes* shall apply.]
- (i) Fund/Basket of Funds: [ ]  
[[The [ ] Fund is an ETF]  
[Exchange for each Fund Share: [ ]]  
[Related Exchange for each Fund Share: [ /All Exchanges]]  
[Underlying Index: [ ]]  
(*N.B. Include for ETFs*)
- (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) Averaging Date(s): [ ]
- (vii) Valuation Date(s): [ ]
- (viii) Valuation Time: [ ]
- (ix) Additional Disruption Events: Change in Law: [Applicable/Not Applicable]  
Hedging Disruption: [Applicable/Not Applicable]  
Increased Cost of Hedging: [Applicable/Not Applicable]
- (x) Other terms or special conditions: [ ]
34. **Credit Linked Notes:** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Final Redemption Amount: [ ] per Calculation Amount
- (ii) Trade Date: [ ]
- (iii) Settlement Method: [Auction Settlement/Cash Settlement/Physical]

Delivery]

*[If Physical Delivery applies, insert:*

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

- (iv) Calculation Agent City: [ ]
- (v) Reference Entity(ies): [ ]
- (vi) Reference Obligation(s): [Standard Reference Obligation:  
[Applicable][Not Applicable]]
- [If Standard Reference Obligation is specified, insert and complete as applicable:*  
Seniority Level: [Senior Level][Subordinated Level]]
- [The obligation[s] identified as follows: [ ]
- Primary Obligor: [ ]
- Guarantor: [ ]
- Maturity: [ ]
- Coupon: [ ]
- CUSIP/ISIN: [ ]
- (vii) All Guarantees: [Applicable/Not Applicable/See Physical Settlement Matrix]
- (viii) Credit Events: [See Physical Settlement Matrix]
- [Bankruptcy]
- [Failure to Pay]
- [Grace Period Extension:  
[Applicable/Not Applicable/See Physical Settlement Matrix]]
- [If Applicable insert:*  
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]
  - Mod Mod R [Applicable/Not Applicable]

		–	Mod R [Applicable/Not Applicable]
			[Governmental Intervention]
			[ <i>other</i> ]
	Default Requirement:	[[	]/See Physical Settlement Matrix]
	Payment Requirement:	[[	]/See Physical Settlement Matrix]
(ix)	Notice of Publicly Available Information:		[Applicable/Not Applicable]
			[ <i>If Applicable</i> :
		Public Source(s):	[ ]
		Specified Number:	[ ]]
(x)	Obligation(s):		
	Obligation Category:		[See Physical Settlement Matrix]
	( <i>select one only</i> )		[Payment]
			[Borrowed Money]
			[Reference Obligation Only]
			[Bond]
			[Loan]
			[Bond or Loan]
	Obligation Characteristics:		[See Physical Settlement Matrix]
	( <i>select all of which apply</i> )		[Not Subordinated]
			[Credit Linked Specified Currency:
		[ <i>specify currency</i> ]	[Standard Specified Currencies]]
			[Not Sovereign Lender]
			[Not Domestic Currency]
		[Domestic Currency means:	[ <i>specify currency</i> ]]
			[Not Domestic Law]
			[Listed]
			[Not Domestic Issuance]
	Additional Obligation(s)	[	]
(xi)	Excluded Obligation(s):	[	]
(xii)	Accrual of Interest upon Credit Event:		[Applicable/Not Applicable]
(xiii)	Merger Event:		Credit Linked Condition 11 [Applicable/Not Applicable]
			[ <i>If Applicable</i> :
		Merger Event Redemption Amount:	[ ]
		Merger Event Redemption Date:	[ ]]
(xiv)	Unwind Costs:		[Standard Unwind Costs/ <i>other</i> /Not

	Applicable]
(xv) Provisions relating to Monoline Insurer as Reference Entity:	Credit Linked Condition 15 [Applicable/Not Applicable/See Physical Settlement Matrix]
(xvi) Provisions relating to LPN Reference Entities:	Credit Linked Condition 17 [Applicable/Not Applicable/See Physical Settlement Matrix]
(xvii) Credit Event Redemption Amount:	[[ ] per Calculation Amount]/[Credit Linked Condition 12 applies]/[Not Applicable]
(xviii) Credit Event Redemption Date:	[ ] Business Days/[Not Applicable]
(xix) Valuation Date:	[Applicable/Not Applicable] [Single Valuation Date: [ ] Business Days] [Multiple Valuation Dates: [ ] Business Days; and each [ ] Business Days thereafter Number of Valuation Dates: [ ]]
(xx) Valuation Time:	[11 a.m. London time]/[ ]/[Not Applicable]
(xxi) Indicative Quotations:	[Applicable/Not Applicable]
(xxii) Quotation Method:	[Bid/Offer/Mid-market]/[Not Applicable]
(xxiii) Quotation Amount:	[[ ]/Representative Amount]/[Representative Amount]/[Not Applicable]
(xxiv) Minimum Quotation Amount:	[ ]/[Not Applicable]
(xxv) Quotation Dealers:	[ ]/[Not Applicable]
(xxvi) Accrued Interest:	[Include Accrued Interest/Exclude Accrued Interest]
(xxvii) Valuation Method:	[Market/Highest/Weighted Highest] [Average Market/Highest/Average Highest] [Not Applicable]
(xxviii) Fallback Settlement Method:	[Cash Settlement/Physical Delivery/Not Applicable] [If Physical Delivery insert: The provisions of Annex 6 of the Terms and Conditions – <i>Additional Terms and Conditions for Physical Delivery Notes</i> shall apply if the Fallback Settlement Method is applicable]
(xxix) Physical Settlement Period:	[[ ] Business Days]/[Not Applicable]
(xxx) Accrued Interest on Entitlement:	[See the definition of "Accrued Interest" in Credit Linked Condition 12]/[Not Applicable]
(xxxi) Settlement Currency:	[ ]/[Not Applicable]
(xxxii) Deliverable Obligations:	
Deliverable Obligation Category:	[See Physical Settlement Matrix]



<p>(select one only)</p>	<p>[Payment]  [Borrowed Money]  [Reference Obligation Only]  [Bond]  [Loan]  [Bond or Loan]</p>
<p>Deliverable Obligation Characteristics:  (select all of which apply)</p>	<p>[See Physical Settlement Matrix]  [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]  [Assignable Loan]  [Consent Required Loan]  [Direct Loan Participation]  [Qualifying Participation Seller: [insert  details]]  [Transferable]  [Maximum Maturity: [ ]]  [Accelerated or Matured]  [Not Bearer]  Sovereign No Asset Package Delivery:  [Applicable/Not Applicable/See Physical  Settlement Matrix]</p>
<p>Additional Deliverable Obligation(s):</p>	<p>[ ]/[Not Applicable]</p>
<p>(xxxiii) Excluded Deliverable Obligation(s):</p>	<p>[ ]/[Not Applicable]</p>
<p>(xxxiv) Indicative Quotations:</p>	<p>[Applicable/Not Applicable]</p>
<p>(xxxv) Cut-Off Date:</p>	<p>[ ]/[Not Applicable]</p>
<p>(xxxvi) Delivery provisions for Entitlement if  different from Physical Delivery Note  Conditions:</p>	<p>[ ]/[Not Applicable]</p>
<p>(xxxvii) Physical Settlement Matrix:</p>	<p>[Applicable/Not Applicable]  <i>[If the Physical Settlement Matrix applies  insert:</i>  Date of Physical Settlement Matrix: [March</p>

5, 2018/specify other]

Transaction Type: [specify] (Specify per Reference Entity)]

*(N.b. if a version Physical Settlement Matrix other than that of March 5, 2018 is to be used or a Transaction Type is to be specified which applies supplement(s)/additional provisions not included in the Credit Linked Conditions, consider what amendments may be required to the Credit Linked Conditions to reflect this)*

- (xxxviii) Subordinated European Insurance Terms: [Applicable/Not Applicable/See Physical Settlement Matrix]
- (xxxix) Financial Reference Entity Terms: [Applicable/Not Applicable/See Physical Settlement Matrix]
- (xl) Reference Obligation Only Termination Amount: [[ ]/Not Applicable]  
*(N.b. to be specified for the purposes of Credit Linked Condition 19 for Reference Obligation Only Notes relating to a single Reference Entity)*
- (xli) Provisions relating to CoCo Reference Entities: Credit Linked Condition 23: [Applicable/Not Applicable/See Physical Settlement Matrix]  
*[If Applicable, insert if required:*  
Trigger Percentage: [ ]]  
*(N.b. Consider whether this should be specified per Reference Entity)*
- (xlii) Credit Linked Business Day Convention: [Following/Modified Following/Preceding]
- (xliii) Nth-to-Default Credit Linked Notes: Credit Linked Condition 25: [Applicable/Not Applicable]  
*[If Applicable, insert:*  
Relevant Number: [ ]  
Spread Percentage Requirement: [ ]%  
*(N.b. In the case of Nth-to-Default Credit Linked Notes, this section 34 of the Final Terms should cover the relevant election for each Reference Entity where appropriate, e.g. by setting out the relevant election in relation to each Reference Entity in the relevant item, or by setting out in a table form annexed to this Final Terms (in which case state "See Annex to this Final Terms" for each relevant item))*
- (xliv) Other terms or special conditions: [ ]

35. **Physical Delivery Notes**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs 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) Guaranteed Cash Settlement Amount: [ ]
- (v) Failure to Deliver due to Illiquidity: [Applicable/Not Applicable]
- (vi) Delivery provisions for Entitlement if different from Physical Delivery Note Conditions: [ ]
- (vii) Settlement Business Day: [ ]
- (viii) Issuer’s option to vary Settlement: [Applicable/Not Applicable]
- (ix) Other terms or special Conditions: [ ]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

36. Form of Notes:

**Bearer Notes:**

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for [definitive Notes on [ ] days’ notice/at any time/in the limited circumstances specified in the Permanent Bearer Global Note] [and/or Registered Notes]]

[Temporary Bearer Global Note exchangeable for [definitive Notes on [ ] days’ notice] [and/or Registered Notes]]

[Permanent Bearer Global Note exchangeable for [definitive Notes on [days’ notice/at any

time/in the limited circumstances specified in the Permanent Bearer Global Note] [Registered Notes]]

*[If item 6(i) provides for a Specified Denomination and higher integral multiples, the option to exchange into definitive notes at any time must be disapplied]*

**[Registered Notes]**

37. Financial Centre(s) or other special provisions relating to Payment Dates: (Condition 6(h)) [Not Applicable/give details.] *[Note that this item relates to the date and place of payment, and not interest period end dates, to which items 17(iv), 19(viii), 20(viii), 21(viii) and 22(ix), relate]*
38. 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]*
39. Unmatured Coupons to become void on early redemption: [Yes/No]
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 (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details.] *[N.B. a new form of Temporary Bearer Global Note and/or Permanent Bearer Global Note may be required for Partly Paid issues]*
41. Details relating to Instalment Notes: Instalment Amount, Instalment Date: [Not Applicable/give details]
42. Redenomination: [Not Applicable/The provisions [in Condition [•]] [annexed to this Final Terms] apply] *[(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))]*
43. U.S. Tax Considerations [The Notes will be treated as Specified Securities (as defined in the Prospectus) for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986. Additional information may be obtained by contacting the [Issuer] at [●].][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] at 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 may be obtained by contacting the [Issuer] at [●].<sup>8</sup> [Not applicable.] *(The Notes will not be Specified Securities if they (i) are issued prior to January 1, 2019 and are not "delta-one" for U.S. tax purposes or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities and (i) are issued prior to January 1, 2019 and provide a return that does not differ significantly from the return on an investment in the underlying, or (ii) are issued on or after January 1, 2019, further analysis would be required. If the Notes are Specified Securities, include the "Additional information" sentence and provide the appropriate contact information at the Issuer.)] .)*

44. Other terms or special conditions: [Not Applicable/give details]

**DISTRIBUTION**

45. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names] *(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of Subscription Agreement: [ ]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
46. If non-syndicated, name and address of Dealer: [Not Applicable/give name]
47. Total commissions and concessions: [ ] per cent. of the Aggregate Principal Amount
48. Additional selling restrictions: [Not Applicable/give details]

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<sup>8</sup> This formulation to be used if the Issuer has not made a determination regarding whether the Notes are Specified Securities as of the date of the Final Terms.

49. U.S. Selling Restrictions:

[Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable]

#### **[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 Bearer Global Notes. The Issuer will announce through the SGX-ST any issue of Notes in definitive form in exchange for Bearer Global Notes, including in the announcement all material information on the delivery of the Notes in definitive form and 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.)*

#### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. *[[Relevant third party information]* has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from the information published by *[specify source]*, no facts have been omitted which would render the reproduced inaccurate or misleading.

Signed on behalf of the Issuer:

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

Duly authorised

## **PART B – OTHER INFORMATION**

1. **LISTING AND ADMISSION TO TRADING** [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant market]* with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on *[specify relevant market]* with effect from [ ].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

2. **RATINGS** [The Notes to be issued have been]/[are expected to be]] rated *[insert details]* by *[insert the legal name of the relevant credit rating agency entity(ies)]*.  
*[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.)*  
[The Notes have not specifically been rated.]

3. **[Index-Linked or other variable-linked Interest Notes only – PERFORMANCE OF INDEX/FORMULA/other variable, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where underlying is an index, need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index, need to include equivalent information.*

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information].

4. **[Dual Currency Notes only - PERFORMANCE OF RATE[S] OF EXCHANGE**

*Need to include details of where past and future performance and volatility of the rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when risks are most evident.]*

5. **OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not applicable/give name(s) and numbers]
- (iv) Delivery: Delivery [against/free of] payment

(v) Names and addresses of initial Paying Agent(s) (if any): [None/*specify*]

(vi) Names and addresses of additional Paying Agents (if any): [ ]



**ANNEX 1**  
**ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED NOTES**

**1. Interpretation**

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Index Linked Notes shall comprise the terms and conditions of the Notes (the “**Note Conditions**”) and the Additional Terms and Conditions for Index Linked Notes set out below (the “**Index Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Index Linked Conditions, the Index Linked Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Index Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

**2. Definitions**

For the purposes of these Index Linked Conditions:

“**Averaging Cut-Off Date**” means the eighth Scheduled Trading Day (or, where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

“**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, or, if earlier, the Averaging Cut-Off Date (or, where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading 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 final 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 Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of “Valuation Date” below;
  - (ii) where the Index Linked Notes relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (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 Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date 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)(ii) of the definition of “Valuation Date” below; or
  - (iii) where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Averaging Date for each Index shall be the first succeeding Common Valid Date (as defined below) in relation to such Index. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date 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 (c)(ii) of the definition of “Valuation Date” below, 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, and “Common Valid Date” means a Common Scheduled Trading Day that is not a Disrupted Day for any Index, and on which another Averaging Date does not or is deemed not to occur.

“**Barrier Event Determination Day**” means, in respect of each Index and each Observation Period:

- (a) if the applicable Final Terms provide that the Barrier Event (intraday) provisions shall apply, each day on which the level of such Index is published and/or disseminated by the Index

Sponsor during such Observation Period, regardless of whether or not such day is a Scheduled Trading Day for such Index (and if the Calculation Agent in its sole and absolute discretion determines that a Market Disruption Event is occurring at any time on any Barrier Event Determination Day, it shall disregard the period during which it determines in its sole and absolute discretion that such Market Disruption Event has occurred and is continuing for the purposes of determining whether or not a Barrier Event (intraday) has occurred);

- (b) if the applicable Final Terms provide that the Barrier Event (closing) provisions shall apply, each Scheduled Trading Day for such Index during such Observation Period that is not a Disrupted Day for such Index; or
- (c) where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, each Common Scheduled Trading Day that is not a Disrupted Day for any Index in the Basket of Indices.

**“Barrier Event Valuation Time (closing)”** means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, the Scheduled Closing Time on the relevant Exchange on the relevant Barrier Event Determination Day, 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 Barrier Event Valuation Time (closing) is after the actual closing time for its regular trading session, then the Barrier Event Valuation Time (closing) shall be such actual closing time; and
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the relevant Exchange and (y) 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; and
- (c) in relation to an Index which is specified in the applicable Final Terms as being a Proprietary Index, the time at which the Index Sponsor calculates and publishes the official closing level of the Index.

**“Barrier Event Valuation Time (intraday)”** means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the Exchange.

**“Barrier Level”** means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms.

**“Basket of Indices”** means, subject to adjustment in accordance with these Index Linked Conditions, a basket composed of indices in their relative proportions or number of indices, as specified in the applicable Final Terms.

**“Common Scheduled Trading Day”** means, in respect of a Basket of Indices, each day which is a Scheduled Trading Day for all the Indices in the Basket of Indices.

**“Component Security”** means, in respect of an Index, any share or other component security included in such Index as determined by the Calculation Agent and related expressions shall be construed accordingly.

**“Disrupted Day”** means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary 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;
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (ii) the Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred; and
- (c) in relation to an Index which is specified in the applicable Final Terms as being a Proprietary Index, any Scheduled Trading Day on which a Market Disruption Event has occurred (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption).

**“Early Closure”** means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities 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 Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the 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 (i) 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, or (ii) the submission deadline for orders to be entered into on the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

**“Exchange”** means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary 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 comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, in respect of each 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 relevant Index is specified in the applicable Final Terms to be a Unitary 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 relevant Index is specified in the applicable Final Terms to be a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

**“Exchange Disruption”** means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the relevant Related Exchange.

**“Index”** and **“Indices”** mean, subject to adjustment in accordance with the Index Linked Conditions, the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly.

**“Index Closing Level”** means, in respect of an Index and any relevant date, subject to these Index Linked Conditions, an amount equal to the official closing level (which shall be deemed to be an amount in the Index Currency) of such Index as determined by the Calculation Agent on such date.

**“Index Level”** means, in respect of an Index and a time on any day, and subject to these Index Linked Conditions, the level of such Index at such time on such day as determined by the Calculation Agent.

**“Index Performance”** means the Index Performance specified in the applicable Final Terms.

**“Index Sponsor”** means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) 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.

“**Multi-Exchange Index**” means any Index which is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

“**Observation Cut-Off Date**” means the eighth Scheduled Trading Day (or, where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Observation Date or, if earlier, the Scheduled Trading Day (or, where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, a Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which such Observation Date was scheduled to fall.

“**Observation Date**” means each Observation Date specified in the applicable Final Terms, or if such date is not a Scheduled Trading Day the first Scheduled Trading Day thereafter, or, if earlier, the Observation Cut-Off Date (or, where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, each date specified as an Observation Date in the applicable Final Terms or, if any such date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day). If any such day is a Disrupted Day, then:

- (a) where the Index Linked Notes relate to a single Index, that Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to and including the Observation Cut-Off Date is a Disrupted Day. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, (i) the Observation Cut-Off Date shall be deemed to be that Observation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant level or price by determining the level of the Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 5 below) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in the Equity Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date);
- (b) where the Index Linked Notes relate to a Basket of Indices, that Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or, if earlier, the Observation Cut-Off Date) and that Observation Date for each Index affected (each an “**Affected Index**”) 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 Index, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to and including the Observation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Observation Date falls on the Observation Cut-Off Date for an Index owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Index, (i) the Observation Cut-Off Date shall be deemed to be that Observation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level or price

using, in relation to such 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 practicable, using the level of that Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 5) the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in that Index (or, if an event giving rise to a Disrupted Day (as defined in the Equity Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date); or

- (c) where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, that Observation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Index, unless each of the Common Scheduled Trading Days immediately following the Scheduled Observation Date up to and including the Observation Cut-Off Date is a Disrupted Day for one or more Indices. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be that Observation Date (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to each Index for which the Observation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, the level of that Index determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 5) the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in each Index for which the Observation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day (or, if an event giving rise to a Disrupted Day (as defined in the Equity Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date).

“**Observation Period**” means, in respect of an Index:

- (a) if the consequence of “Extension” is specified in the applicable Final Terms to be applicable, each period commencing on the Observation Period Start Date, following adjustment of such date pursuant to these Index Linked Conditions, if applicable (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, following adjustment of such date pursuant to these Index Linked Conditions, if applicable (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms); or
- (b) if the consequence of “No Extension” is specified in the applicable Final Terms to be applicable, each period commencing on the Observation Period Start Date, prior to any adjustment of such date pursuant to these Index Linked Conditions, if applicable (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, prior to any adjustment of such date pursuant to these Index Linked Conditions, if applicable (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms).

**“Observation Period End Date”** means, in respect of an Index, each date specified as such in the applicable Final Terms.

**“Observation Period Start Date”** means, in respect of an Index, each date specified as such in the applicable Final Terms.

**“Proprietary Index”** means any Index which is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

**“Related Exchange”** means, in relation to any Unitary Index or 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 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, however, 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 the 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 in respect of:

- (a) any Unitary Index, any day on which each Exchange and each Related Exchange for the Index are scheduled to be open for trading for their respective regular trading sessions;
- (b) any Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index, and (ii) the Related Exchange for the Index is scheduled to be open for trading for its regular trading session; and
- (c) any Proprietary Index, any day on, or, as the case may be, in respect of, which the Index Sponsor is scheduled to publish the level of such Index.

**“Scheduled Observation Date”** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

**“Scheduled Valuation Date”** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

**“Trade Date”** means the date specified as a Trade Date in the applicable Final Terms.

**“Trading Disruption”** means:

- (a) in respect of any Unitary Index, any suspension of, or limitation imposed on, trading by any 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, (i) relating to securities that comprise 20 per cent. or more of the level of the Index on any relevant Exchange, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange; and



- (b) in respect of any Multi-Exchange Index, any suspension or limitation imposed on trading by any 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, (i) relating to any Component Security on the Exchange in respect of such Component Security, or (ii) in futures or options contracts relating to the Index on the Related Exchange.

“**Unitary Index**” means any Index which is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

“**Valuation Cut-Off Date**” means the eighth Scheduled Trading Day (or, where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date or if earlier the Scheduled Trading Day (or, where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut- Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

“**Valuation Date**” means each Valuation Date specified in the applicable Final Terms or if such date is not a Scheduled Trading Day the first Scheduled Trading Day thereafter, or, if earlier, the Valuation Cut-Off Date (or, where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, each date specified as a Valuation Date or the Actual Exercise Date in the applicable Final Terms or, if any such date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day). If such day is a Disrupted Day, then:

- (a) where the Index Linked Notes relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level or price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant level or price by determining the level of the Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 5 below) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in the Equity Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date);
- (b) where the Index Linked Notes relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-off Date) and the Valuation Date for each Index affected (each an “**Affected Index**”) 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 Index, unless each

of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to such 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 practicable, using the level of that Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 5) the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in that Index (or, if an event giving rise to a Disrupted Day (as defined in the Equity Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date); or

- (c) where the Index Linked Notes relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Index, unless each of the Common Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day for one or more Indices. In that case, or if the Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant level or price using, in relation to each Index for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, the level of that Index determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 5) the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in each Index for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day (or, if an event giving rise to a Disrupted Day (as defined in the Equity Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date).

“**Valuation Time**” means:

- (a) in respect of any Unitary Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Exchange, the Scheduled Closing Time of the Exchange (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on such Index, the close of trading on the 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;
- (b) in respect of any Multi-Exchange Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any

Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the 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; and

- (c) in respect of any Proprietary Index, the time at which the Index Sponsor calculates and publishes the official closing level of the Index.

### 3. Market Disruption

“**Market Disruption Event**” means:

- (a) in respect of any Unitary Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of a Unitary Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security included in the Index at any time, then the relevant percentage contribution of such Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to such Component Security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event;
- (b) in respect of any Multi-Exchange Index either: (i) (A) the occurrence or existence, in respect of any Component Security, of: I. a Trading Disruption, 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 on which such Component Security is principally traded; II. an Exchange Disruption, 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 on which such Component Security is principally traded; or III. an Early Closure; and (B) 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, (B) an Exchange Disruption which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange or (C) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of a Multi-Exchange Index exists at any time, if a Market Disruption Event (as defined in the Equity Linked Conditions in relation to a share) occurs in respect of a Component Security at that time, then the relevant percentage contribution of such Component Security, to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security and (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market “opening data” (as defined in the Equity Linked Conditions in relation to a share);
- (c) in respect of any Proprietary Index, the failure by the Index Sponsor to calculate and publish the level of the Index on any Scheduled Trading Day or in respect of such Scheduled Trading Day within the scheduled timeframe for publication.

#### 4. **Barrier Event**

- (a) A “**Barrier Event (intraday)**” means (and a Barrier Event (intraday) shall be deemed to occur if), in respect of an Index, the Calculation Agent determines that the Index Level of such Index as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is less than or equal to the corresponding Barrier Level for such Index and such Barrier Event Determination Day. For the purpose of determining whether a Barrier Event (intraday) has occurred on any day, the definition of Market Disruption Event specified in Index Linked Condition 3 shall be amended such that (i) all references to “during the one hour period that ends at the relevant Valuation Time” shall be deleted, and (ii) in the definition of “Early Closure” appearing in Index Linked Condition 2, each reference to “Valuation Time” and “Scheduled Closing Time” shall be construed as a reference to “Barrier Event Valuation Time (intraday)”.
- (b) A “**Barrier Event (closing)**” means (and a Barrier Event (closing) shall be deemed to occur if), in respect of an Index, the Calculation Agent determines that the Index Closing Level of such Index as of the Barrier Event Valuation Time (closing) on any Barrier Event Determination Day is less than or equal to the corresponding Barrier Level for such Index and such Barrier Event Determination Day.

#### 5. **Adjustments and Corrections to an Index**

(a) *Successor Index Sponsor Calculates and Reports an Index*

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the “**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.

(b) *Modification and Cessation of Calculation of an Index*

If (i) on or prior to a Valuation Date, an Observation Date or an Averaging Date (or other relevant date, as determined by the Calculation Agent), 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 capitalization or contracts and other routine events) (an “**Index Modification**”), or permanently cancels a relevant Index and no Successor Index exists (an “**Index Cancellation**”), or (ii) on a Valuation Date, an Observation Date or an Averaging Date (or other relevant date, as determined by the Calculation Agent), the Index Sponsor or, if applicable, the Successor Index Sponsor fails to calculate and announce a relevant Index, provided that, in respect of an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index or a Proprietary Index, the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day (an “**Index Disruption**” and, together with an Index Modification and an Index Calculation, each an “**Index Adjustment Event**”), then the Issuer may take the action described in (A) or (B) below:

- (A) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Index Linked Notes and, if so, calculate the relevant level or price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, Observation Date or Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

- (B) on giving notice to the Noteholders in accordance with Note Condition 13, redeem all (but not some only) of the Notes, each Note being redeemed at the Early Redemption Amount.

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as reasonably practicable to the Noteholders in accordance with Note Condition 13, giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action. The Issuer shall make available for inspection by Noteholders copies of any such determinations.

(c) ***Corrections to an Index***

If the level of a relevant Index published on any Valuation Date, Observation Date or Averaging Date (or other relevant date, as determined by the Calculation Agent), as the case may be, by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor and which is utilized for any calculation or determination made for the purposes of the Index Linked Notes (a “**Relevant Calculation**”) is subsequently corrected and the correction (the “**Corrected Index Level**”) is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor no later than two Business Days prior to the date on which payment of any amount or delivery of any assets may have to be made pursuant to such Relevant Calculation, then such Corrected Index Level shall be deemed to be the relevant level for such Index on such Averaging Date, Observation Date, Valuation Date (or other relevant date, as determined by the Calculation Agent), as the case may be, and the Calculation Agent shall use such Corrected Index Level in determining the relevant level or price and/or whether the Barrier Event (closing) or Barrier Event (intraday), as the case may be, has been triggered.

**6. Additional Disruption Events**

- (a) “**Additional Disruption Event**” means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging, 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) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or an Announced Prospective Change, or (ii) 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 (A) it has become illegal to hold, acquire or dispose of any relevant security comprised in an Index or (B) the Issuer will incur (or, in the case of an Announced Prospective Change and assuming that such Announced Prospective Change becomes effective as of the date specified in such announcement and in the form announced, would incur) a materially increased cost in performing its obligations in relation to the Index Linked 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).

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to (i) 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, dividend risk and currency risk) of the Issuer issuing and performing its obligations with respect to the Index Linked Notes, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Increased Cost of Hedging**” means that the Issuer and/or any of its Affiliates or agents acting on its behalf 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) or cost of capital or

capital to be set aside to (i) 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, dividend risk and currency risk) of the Issuer issuing and performing its obligations with respect to the Index Linked Notes, or (ii) realize, 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 or agents shall not be deemed an Increased Cost of Hedging.

- (b) 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 (i) or (ii) below:
  - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) give notice to Noteholders in accordance with Note Condition 13 and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.
- (c) 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, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

**ANNEX 2**  
**ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED NOTES**

**1. Interpretation**

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Equity Linked Notes shall comprise the terms and conditions of the Notes (the “**Note Conditions**”) and the Additional Terms and Conditions for Equity Linked Notes set out below (the “**Equity Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Equity Linked Conditions, the Equity Linked Conditions shall prevail. In the event of any inconsistency between the Note Conditions and the Equity Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

**2. Definitions**

For the purposes of these Equity Linked Conditions:

“**Averaging Cut-Off Date**” means the eighth Scheduled Trading Day (or, where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

“**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, or, if earlier, the Averaging Cut-Off Date (or, where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading 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 final 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 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 Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Equity, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date 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;
  - (ii) where the Equity Linked Notes relate to a Basket of Equities, the Averaging Date for each Equity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (the “**Scheduled Averaging Date**”) and the Averaging Date for an Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Equity. If the first succeeding Valid Date in relation to such Equity has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Equity, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Equity, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with subparagraph (b)(ii) of the definition of “Valuation Date” below; or
  - (iii) where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Averaging Date for each Equity shall be the first succeeding Common Valid Date (as defined below) in relation to such Equity. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date 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 (c)(ii) of the definition of “Valuation Date” below, 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, and “Common Valid Date” means a Common Scheduled Trading Day that is not a Disrupted Day for any Equity and on which another Averaging Date does not or is deemed not to occur.

“**Barrier Event Determination Day**” means, in respect of each Equity and each Observation Period:

- (a) if the applicable Final Terms provide that the Barrier Event (intraday) provisions shall apply, each day on which the price of such Equity is quoted on the relevant Exchange during such Observation Period, regardless of whether or not such day is a Scheduled Trading Day for such Equity (and, for the avoidance of doubt, if the Calculation Agent in its sole and absolute discretion determines that a Market Disruption Event is occurring at any time on any Barrier



Event Determination Day, it shall disregard the period during which it determines in its sole and absolute discretion that such Market Disruption Event has occurred and is continuing for the purposes of determining whether or not a Barrier Event (intraday) has occurred); or

- (b) if the applicable Final Terms provide that the Barrier Event (closing) provisions shall apply, each Scheduled Trading Day for such Equity during such Observation Period that is not a Disrupted Day for such Equity.

**“Barrier Event Valuation Time (closing)”** means, in respect of each Equity to be valued, the Scheduled Closing Time on the relevant Exchange on the relevant Barrier Event Determination Day. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Barrier Event Valuation Time (closing) is after the actual closing time for its regular trading session, then the Barrier Event Valuation Time (closing) shall be such actual closing time.

**“Barrier Event Valuation Time (intraday)”** means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the Exchange.

**“Barrier Level”** means, in respect of an Equity, such price for such Equity as is specified in the applicable Final Terms.

**“Basket of Equities”** means a basket composed of Equities in their relative proportions or number of Equities, as specified in the applicable Final Terms.

**“Cash Settled Notes”** means Notes that entitle the holder, upon due exercise and subject to certification of non-U.S. beneficial ownership, to receive from the Issuer, on the Settlement Date, the Cash Settlement Amount.

**“Common Scheduled Trading Day”** means, in respect of a Basket of Equities, each day which is a Scheduled Trading Day for all the Equities in the Basket of Equity.

**“Disrupted Day”** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**“Early Closure”** means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day, and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**“Equities”** and **“Equity”** mean, subject to adjustment in accordance with these Equity Linked Conditions, the equities or an equity specified in the applicable Final Terms and related expressions shall be construed accordingly.

**“Equity Closing Price”** means, in respect of an Equity and any relevant date, subject to these Equity Linked Conditions, an amount equal to the official closing price of such Equity quoted on the relevant Exchange as determined by the Calculation Agent on such date.

**“Equity Company”** means, in respect of an Equity, the company that has issued such Equity.

**“Equity Performance”** means the Equity Performance specified in the applicable Final Terms.

“**Equity Price**” means, in respect of an Equity and a time on a Scheduled Trading Day and subject to these Equity Linked Conditions, the price of such Equity at such time on such day as determined by the Calculation Agent.

“**Equity Substitution Criteria**” means (and the Equity Substitution Criteria shall be deemed to be satisfied if), unless otherwise provided in the applicable Final Terms, in respect of an Equity and any other relevant equity:

- (a) the relevant issuer of such other relevant equity belongs to a similar economic sector as the Equity Company of such Equity; and
- (b) the relevant issuer of such other relevant equity has a comparable market capitalization and international standing as the Equity Company in respect of such Equity.

“**Exchange**” means, in relation to an Equity, each exchange or quotation system specified as such for such 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 Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such 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.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Equities on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Equity on any relevant Related Exchange.

“**Observation Cut-Off Date**” means the eighth Scheduled Trading Day (or, where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Observation Date or, if earlier, the Scheduled Trading Day (or, where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which such Observation Date was scheduled to fall.

“**Observation Date**” means each date specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day the first Scheduled Trading Day thereafter (or, where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, each date specified as an Observation Date in the applicable Final Terms or, if any such date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day). If any such day is a Disrupted Day, then:

- (a) where the Equity Linked Notes relate to a single Equity, that Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to and including the Observation Cut-Off Date is a Disrupted Day. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it

was scheduled to fall not being a Scheduled Trading Day for such Equity, (i) the Observation Cut-Off Date shall be deemed to be that Observation Date (notwithstanding the fact that such day may be a 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 Observation Cut-Off Date;

- (b) where the Equity Linked Notes relate to a Basket of Equities, that Observation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or, if earlier, the Observation Cut-Off Date) and that Observation Date for each 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 Scheduled Trading Days immediately following the Scheduled Observation Date up to and including the Observation Cut-Off Date is a Disrupted Day relating to the Affected Equity. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Equity, (i) the Observation Cut-Off Date shall be deemed to be that Observation Date for such Equity (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Equity, 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 such Equity as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions; or
- (c) where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, that Observation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Equity, unless each of the Common Scheduled Trading Days immediately following the Scheduled Observation Date up to and including the Observation Cut-Off Date is a Disrupted Day for one or more Equities. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be that Observation Date (notwithstanding the fact that such day may be a Disrupted Day for an Equity or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Equity for which the Observation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, 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 such Equity as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions.

“**Observation Period**” means, in respect of an Equity:

- (a) if the consequence of “Extension” is specified in the applicable Final Terms to be applicable, each period commencing on, the Observation Period Start Date, following adjustment of such date pursuant to these Equity Linked Conditions, if applicable (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, following adjustment of such date pursuant to these Equity Linked Conditions, if applicable (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms); or
- (b) if the consequence of “No Extension” is specified in the applicable Final Terms to be applicable, each period commencing on the Observation Period Start Date, prior to any adjustment of such date pursuant to these Equity Linked Conditions, if applicable (and

including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, prior to any adjustment of such date pursuant to these Equity Linked Conditions, if applicable (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms).

**“Observation Period End Date”** means, in respect of an Equity, each date specified as such in the applicable Final Terms.

**“Observation Period Start Date”** means, in respect of an Equity, each date specified as such in the applicable Final Terms.

**“Physical Delivery Notes”** means Notes redeemed by physical delivery.

**“Related Exchange”** means, in relation to an Equity, each exchange or quotation system specified as such for such 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 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 Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, 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 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 Observation Date”** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

**“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 any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

**“Trade Date”** means the date specified as a Trade Date in the applicable Final Terms.

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Equity on the Exchange or (ii) in futures or options contracts relating to the Equity on any relevant Related Exchange.

**“Valuation Cut-Off Date”** means the eighth Scheduled Trading Day (or, where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date or if earlier the Scheduled Trading Day (or, where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Common Scheduled Trading Day) falling on or

immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut- Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

“**Valuation Date**” means each Valuation Date specified in the applicable Final Terms if that is not a Scheduled Trading Day the first Scheduled Trading Day thereafter or, if earlier, the Valuation Cut-Off Date (or, where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, each date specified as a Valuation Date or the Actual Exercise Date in the applicable Final Terms or, if any such date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day). If such day is a Disrupted Day, then:

- (a) where the Equity Linked Notes relate to a single Equity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to and including the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Equity, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a 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;
- (b) where the Equity Linked Notes relate to a Basket of Equities, the Valuation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each 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 Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Equity. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Equity, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Equity (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Equity, 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 such Equity as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions; or
- (c) where the Equity Linked Notes relate to a Basket of Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Equity, unless each of the Common Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day for one or more Equities. In that case, or if the Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day for an Equity or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Equity for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, 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 such Equity 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 or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each 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.

### 3. **Barrier Event**

- (a) A “**Barrier Event (intraday)**” means (and a Barrier Event (intraday) shall be deemed to occur if), in respect of an Equity, the Calculation Agent determines that the Equity Price of such Equity as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is less than or equal to the corresponding Barrier Level for such Equity and such Barrier Event Determination Day.

For the purpose of determining whether a Barrier Event (intraday) has occurred on any day, the definition of Market Disruption Event specified in Equity Linked Condition 4 shall be amended such that (i) all references to “during the one hour period that ends at the relevant Valuation Time” shall be deleted, and (ii) in the definition of “Early Closure” appearing in Equity Linked Condition 2, each reference to “Valuation Time” and “Scheduled Closing Time” shall be construed as a reference to “Barrier Event Valuation Time (intraday)”.

- (b) A “**Barrier Event (closing)**” means (and a Barrier Event (closing) shall be deemed to occur if), in respect of an Equity, the Calculation Agent determines that the Equity Closing Price of any Equity as of the Barrier Event Valuation Time (closing) on any Barrier Event Determination Day is less than or equal to the corresponding Barrier Level for such Equity and such Barrier Event Determination Day.

### 4. **Market Disruption**

“**Market Disruption Event**” means, in relation to an Equity, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, any time during the one hour period that ends at the Valuation Time for such Equity or (iii) an Early Closure.

### 5. **Correction to Equity Prices**

If the price of an Equity published on any Valuation Date, Observation Date, or an Averaging Date (or other relevant date, as determined by the Calculation Agent) as the case may be, by the relevant Exchange and which is utilized for any calculation or determination made for the purposes of the Notes (a “**Relevant Calculation**”) is subsequently corrected and the correction (the “**Corrected Equity Price**”) published by the relevant Exchange no later than two Business Days prior to the date on which payment of any amount or delivery of any assets may have to be made pursuant to such Relevant Calculation, then such Corrected Equity Price shall be deemed to be the relevant price for such Equity on such Averaging Date, Observation Date or Valuation Date (or other relevant date, as determined by the Calculation Agent), as the case may be, and the Calculation Agent shall use such Corrected Equity Price in determining the relevant price and/or whether the Barrier Event (closing) or Barrier Event (intraday), as the case may be, has been triggered.

**6. Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalization and Insolvency**

- (a) **“Potential Adjustment Event”** means any of the following:
- (i) a subdivision, consolidation or reclassification of relevant Equities (unless resulting in a Merger Event or, if Tender Offer is specified as applying in the applicable Final Terms, a Tender Offer) or a free distribution or dividend of any such Equities to existing holders by way of bonus, capitalization or similar issue;
  - (ii) a distribution, issue or dividend to existing holders of the relevant Equities of (A) such Equities or (B) other equity capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Equity Company equally or proportionately with such payments to holders of such Equities or (C) equity capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Company 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 (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
  - (iii) an extraordinary dividend as determined by the Calculation Agent;
  - (iv) a call by an Equity Company in respect of relevant Equities that are not fully paid;
  - (v) a repurchase by the Equity Company or any of its subsidiaries, as the case may be, of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
  - (vi) in respect of an Equity Company 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 Company 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
  - (vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Equities.

Following the declaration by the Equity Company of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Equities and, if so, will make the corresponding adjustment, if any, to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends stock loan rate or liquidity relative to the relevant Equity) and 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 Equities traded on that options exchange.

If “**Local Tax Adjustment**” is specified in the applicable Final Terms as being applicable, then, in its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Equities of any Potential Adjustment Event, and any related adjustments to the terms of the Notes, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event.

“**Local Taxes**” shall mean taxes, duties, and similar charges imposed by the taxing authority of the Local Jurisdiction (specified in the applicable Final Terms).

“**Offshore Investor**” shall mean a holder of Equities who is an institutional investor not resident in the Local Jurisdiction for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (a) shall be determined by the Calculation Agent and (b) may be the jurisdiction of residence of the Issuer or any of its Affiliates or agents.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Note Condition 13, stating the adjustment to the terms of the Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

- (b) “**De-listing**” means, in respect of any relevant Equities:
- (i) in the case where the Exchange is not located in the United States, such Exchange announces that pursuant to the rules of such Exchange, such Equities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or, if Tender Offer is specified as applying in the applicable Final Terms, a Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union); or
  - (ii) in the case where the Exchange is located in the United States, such Exchange announces that pursuant to the rules of such Exchange, such Equities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or, if Tender Offer is specified as applying in the applicable Final Terms, a Tender Offer) and are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or their respective successors).

If the Equities are immediately re-listed, re-traded or re-quoted on any exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange in respect of such Equities.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Equity Company (A) all the Equities of that Equity Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Equities of that Equity Company become legally prohibited from transferring them.



“**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“**Merger Event**” means, in respect of any relevant Equities, any (A) reclassification or change of such Equities that results in a transfer of or an irrevocable commitment to transfer all of such Equities outstanding to another entity or person, (B) consolidation, amalgamation, merger or binding share exchange of an Equity Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Company is the continuing entity and which does not result in a reclassification or change of all of such 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 per cent. of the outstanding Equities of the Equity Company that results in a transfer of or an irrevocable commitment to transfer all such Equities (other than such Equities owned or controlled by such other entity or person), or (D) consolidation, amalgamation, merger or binding share exchange of the Equity Company or its subsidiaries with or into another entity in which the Equity Company is the continuing entity and which does not result in a reclassification or change of all such Equities outstanding but results in the outstanding Equities (other than Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equities immediately following such event, in each case if the Merger Date is on or before (I) in the case of Cash Settled Notes, the last occurring Valuation Date or Observation Date, as the case may be, or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Note or (II) in the case of Physical Delivery Notes, the Maturity Date.

“**Nationalization**” means that all the Equities or all or substantially all the assets of the Equity Company are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Company as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Tender Offer Date**” means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

- (c) If (x) a Merger Event, De-listing, Nationalization or Insolvency occurs in relation to an Equity and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:
  - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Terms and Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalization or Insolvency, as the case may be, and 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 the

Merger Event, Tender Offer, De-listing, Nationalization or Insolvency made by any options exchange to options on the Equities traded on that options exchange and 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 Equities; or

- (ii) give notice to the Noteholders in accordance with Note Condition 13 and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
- (iii) following such adjustment to the settlement terms of options on the Equities traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the “**Options Exchange**”), require the Calculation Agent to make a corresponding adjustment to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Equities are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalization or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (iv) unless the applicable Final Terms provide that “Equity Substitution” shall not be applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalization, Insolvency or De-listing (as the case may be):
  - (I) Where the Equity Linked Notes relate to a single Equity, the Calculation Agent may substitute the share (the “**Substitute Equity**”) selected by it in accordance with the Equity Substitution Criteria in place of such Equity (the “**Affected Equity**”) which is affected by such Merger Event, Tender Offer, Nationalization, Insolvency or De-listing and the Substitute Equity will be deemed to be “Equity” and the relevant issuer of such shares, a “Equity Company” for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the price of the Affected Equity on the Trade Date (or any such other historical date specified in the applicable Final Terms), the relevant price of each Substitute Equity will be determined by the Calculation Agent in accordance with the following formula:

$$A \times (B/C)$$

Where:

“**A**” is the official closing price of the relevant Substitute Equity on the relevant exchange, as determined by the Calculation Agent, on the date that the substitution is effected;

“**B**” is the price of the Affected Equity on the Trade Date (or any such other historical date specified in the applicable Final Terms) where such price is defined in the applicable Final Terms for the purposes of calculating any value or determining any amount payable in respect of the Notes; and

“**C**” is the official closing price of the relevant Affected Equity on the relevant Exchange on the date that the substitution is effected.

- (II) Where the Equity Linked Notes relate to a Basket of Equities, the Calculation Agent may adjust the basket of Equities to include a share or shares (the “**Substitute Equities**”) selected by it in accordance with the Equity Substitution Criteria in place of the Equity(s) (the “**Affected Equity(s)**”) which are affected by such Merger Event, Tender Offer, Nationalization, Insolvency or De-listing and the Substitute Equities will be deemed to be “Equities” and the relevant issuer of each such share, a “Equity Company” for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Notes was to be determined by reference to the price of the Affected Equity on the Trade Date (or any such other historical date specified in the applicable Final Terms), the relevant price of each Substitute Equity will be determined by the Calculation Agent in accordance with the following formula:

$$A \times (B/C)$$

Where:

“**A**” is the official closing price of the relevant Substitute Equity on the relevant exchange, as determined by the Calculation Agent on the date that the substitution is effected;

“**B**” is the price of the Affected Equity on the Trade Date (or any such other historical date specified in the applicable Final Terms) where such price is defined in the applicable Final Terms for the purposes of calculating any value or determining any amount payable in respect of the Notes; and

“**C**” is the official closing price of the relevant Affected Equity on the relevant Exchange on the date that the substitution is effected.

The weighting of each Substitute Equity in the basket will be equal to the weighting of the relevant Affected Equity.

Upon the occurrence of a Merger Event, De-listing, Nationalization, Insolvency or, if applicable, Tender Offer, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Note Condition 13 stating the occurrence of the Merger Event, Tender Offer, Nationalization or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalization or Insolvency, as the case may be.

## 7. Non-euro Quoted Equities

In respect of Equity Linked Notes relating to Equities originally quoted, listed and/or dealt as of 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 (“euro”), if such Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the applicable Final Terms, the principal market on which those Equities are traded, then the Calculation Agent will adjust any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this provision will affect the currency denomination of any payment obligation arising out of the Notes.

## 8. Additional Disruption Events

- (a) “**Additional Disruption Event**” means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow and/or Insolvency Filing, 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) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or an Announced Prospective Change, or (ii) 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 (A) it has become illegal to hold, acquire or dispose of any relevant Equity or (B) it will incur (or, in the case of an Announced Prospective Change and assuming that such Announced Prospective Change becomes effective as of the date specified in such announcement and in the form announced, would incur) a materially increased cost in performing its obligations in relation to the Equity Linked 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).

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to (i) 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, dividend risk and currency risk) of the Issuer issuing and performing its obligations with respect to the Equity Linked Notes, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Hedging Equities**” means the number of 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 Equity Linked Notes.

“**Increased Cost of Hedging**” means that the Issuer and/or any of its Affiliates or agents 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) or cost of capital or capital to be set aside to (i) 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, dividend risk and currency risk) of the Issuer issuing and performing its obligations with respect to the Equity Linked Notes, or (ii) realize, 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 or agents 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 Equities that is greater than the Initial Stock Loan Rate.

**“Initial Stock Loan Rate”** means, in respect of an Equity, the Initial Stock Loan Rate specified in relation to such Equity in the applicable Final Terms.

**“Insolvency Filing”** means that an Equity Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization 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 Company shall not be deemed an Insolvency Filing.

**“Loss of Stock Borrow”** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Equity in an amount equal to the Hedging Equities at a rate equal to or less than the Maximum Stock Loan Rate.

**“Maximum Stock Loan Rate”** means in respect of an Equity, the Maximum Stock Loan Rate specified in the applicable Final Terms.

- (b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
  - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of the Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) give notice to Noteholders in accordance with Note Condition 13 and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.
- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Note Condition 13 stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.
- (d) If the applicable Final Terms provide that “Equity Substitution” is applicable upon the occurrence of an Additional Disruption Event, the provisions of Equity Linked Condition 6(c)(iv)(I) or 6(c)(iv)(II) (as is applicable) shall apply in respect of an Additional Disruption Event where any reference to “Merger Event, Tender Offer, Nationalization, Insolvency or De-listing” in Equity Linked Conditions 6(c)(iv)(I) and 6(c)(iv)(II) shall be replaced by “Additional Disruption Event”, and any other relevant references shall be construed accordingly.

**ANNEX 3**  
**ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED NOTES**

**1. Interpretation**

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Commodity Linked Notes shall comprise the terms and conditions of the Notes (the “**Note Conditions**”) and the Additional Terms and Conditions for Commodity Linked Notes set out below (the “**Commodity Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Commodity Linked Conditions, the Commodity Linked Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Commodity Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

**2. Definitions**

“**Basket of Commodities**” means a basket comprising Commodities in their relative proportions or numbers of Commodities, as specified in the applicable Final Terms.

“**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**” has the meaning given it in the applicable Final Terms.

“**Commodity 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 Payment Day or Settlement Date, as applicable of the amount calculated in respect of such Pricing Date (or other date as aforesaid), provided that the Commodity Cut-Off Date shall not fall earlier than the original date on which such Pricing Date is scheduled to fall (unless otherwise provided 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 Payment Day or Settlement Date, as applicable of the amount calculated in respect of such Pricing Date (or other date as aforesaid), provided that the Commodity Index Cut-Off Date shall not fall earlier than the original date on which such Pricing Date is scheduled to fall (unless otherwise provided in the applicable Final Terms).

“**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.

**“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, if applicable, if the Pricing Date as specified in the Final Terms is adjusted on account of such original date not being a Commodity Business Day, measured from and including the day that is the original date that would otherwise have been the Pricing Date, following the adjustment specified in the applicable Final Terms on account of such original date not being a Commodity Business Day)) or the Relevant Price continues to be unavailable for two (2) 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 the date specified in the applicable Final Terms.

**“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 (or, if applicable, if the Pricing Date as specified in the Final Terms is adjusted on account of such original date not being a Commodity Business Day, measured from and including the day that is the original date that would otherwise have been the Pricing Date, following such adjustment specified in the applicable Final Terms on account of such original date not being a Commodity Business Day)). 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.

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.

**“Pricing Date”** has the meaning given to it in the applicable Final Terms.

**“Relevant Commodity”** means, in respect of a Commodity Linked Note, such Commodity as is so specified in the applicable Final Terms, and, if more than one commodity is so specified in the



applicable Final Terms, then all such commodities shall be referred to as the “**Relevant Commodities**”.

“**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 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.

### 3. **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 (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced, as determined on the Trade Date of the Notes as of the Issue Date;
- (ii) “**Not Applicable**” then, 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 (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 Fallback that provides a Relevant Price.

All determinations made by the Calculation Agent pursuant to this condition will be conclusive and binding on the Noteholders and the Issuer, except in the case of manifest error.

#### (b) **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 or delivery of any assets may have to be made, in each case calculated by reference to such Relevant Price), the Calculation Agent may, in its sole discretion, use such corrected price in such calculation.

#### 4. 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; and
- (ii) with respect to all Commodities other than gold, silver, platinum or palladium:
  - (A) Material Change in Formula;
  - (B) Material Change in Content; and
  - (C) any additional Market Disruption Events as specified in the applicable Final Terms; 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) the 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 (or, if applicable, measured from and including the day that is the original date that would otherwise have been the Pricing Date, following the adjustment specified in the applicable Final Terms on account of such original date not being a Commodity Business Day)), or, if shorter, the period commencing on, and including, the original day that would otherwise have been the Pricing Date and ending on, and including, the Commodity Cut-Off 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 (or, if applicable, the number of Commodity Business Days (if any) falling within the period ending on the Commodity Cut-Off Date); 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;

(ii) with respect to each futures contract included in the Commodity Index which is affected by the Market Disruption Event, but for which a Market Disruption Event ceased to exist on or prior to the Commodity Index Cut-Off Date, 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; and

(iii) with respect to each futures contract included in the Commodity Index which is affected by the Market Disruption Event, where a Market Disruption Event continues to exist as of the Commodity Index Cut-Off Date, the Calculation Agent's good faith estimate of the closing price of each such contract on the Commodity Index Cut-Off Date;

(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), (a)(ii) and (a)(iii) above using the then current method for calculating the Commodity Reference Price.

Where (i) the original date that would otherwise have been the Pricing Date is adjusted on account of such original date not being a Commodity Business Day, and the Pricing Date would fall on or after the Commodity Index Cut-Off Date following such adjustment, or (ii) 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, the Calculation Agent shall determine the Relevant Price on such Commodity Index Cut-Off Date. In calculating the Relevant Price as set out herein, the Calculation Agent shall use the formula for calculating the Commodity Reference Price last in effect prior to the Market Disruption Event (if applicable).

## 5. 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 utilized 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 on which payment of any amount or delivery of any assets may have to be made, in each case 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.

**ANNEX 4**  
**ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED NOTES**

**Interpretation**

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Credit Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**") and the Additional Terms and Conditions for Credit Linked Notes set out below (the "**Credit Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Credit Linked Conditions, the Credit Linked Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Credit Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

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 Credit Linked 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.

For the avoidance of doubt, the application of any of Credit Linked Conditions 5, 6, 7, 8 or 10 below shall not preclude the application of any other such Credit Linked Condition either contemporaneously or subsequently and in the event that any such Credit Linked Conditions are inconsistent or the Calculation Agent becomes entitled to exercise a discretion under one or more of such Credit Linked Conditions, the Calculation Agent may elect in its discretion which Credit Linked Condition shall apply and under which Credit Linked Condition or Credit Linked Conditions it shall exercise its discretion.

**1. Redemption of Credit Linked Notes**

Unless previously redeemed or purchased and cancelled and subject as provided in Credit Linked Condition 2, Credit Linked Condition 3, Credit Linked Condition 4 and Credit Linked Condition 19, as applicable, each nominal amount of Credit Linked Notes equal to the Calculation Amount 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 relevant Specified Currency on the Maturity Date.

## 2. 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 Noteholders in accordance with Note Condition 13 and, subject to (i) any adjustment in accordance with Credit Linked Condition 13 and (ii) any prior redemption in accordance with Credit Linked Condition 19, redeem 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, the Credit Event Redemption Amount in the relevant Specified Currency on the Credit Event Redemption Date.

Unless settlement has occurred in accordance with the paragraph above, if:

- (i) an Auction Cancellation Date occurs;
- (ii) 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);
- (iii) a DC Credit Event Question Dismissal occurs; or
- (iv) a Credit Event Determination Date was determined pursuant to paragraph (a)(i) of the definition of Credit Event Determination Date or paragraph (a) of the definition of Non-Standard Event Determination Date and no Credit Event Resolution Request Date has occurred in respect of the relevant Credit Event on or prior to the date falling three Business Days after such Credit Event Determination Date; or
- (v) if the Issuer (or an Affiliate acting on behalf of the Issuer) otherwise determines that this is appropriate by reference to its and/or any of its Affiliates' Hedging Arrangements,

then:

- (A) if Fallback Settlement Method – Cash Settlement is specified as applicable in the applicable Final Terms, the Issuer shall redeem the Notes in accordance with Credit Linked Condition 3 below; or
- (B) if Fallback Settlement Method – Physical Delivery is specified as applicable in the applicable Final Terms, the Issuer shall redeem the Notes in accordance with Credit Linked Condition 4 below.

***If a Credit Event Determination Date has occurred and the Notes become redeemable in accordance with this Credit Linked Condition 2, 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 Noteholders and no liability shall attach to the Issuer.***

### 3. Cash Settlement

If a Credit Event Determination Date occurs, then where Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms or if Credit Linked Condition 2(A) above applies then, subject to any prior redemption in accordance with Credit Linked Condition 19, the Issuer shall give notice (such notice a "**Cash Settlement Notice**") to the Noteholders in accordance with Note Condition 13 and redeem 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, the Credit Event Redemption Amount in the relevant Specified Currency on the Credit Event Redemption Date. If "Weighted Highest" is specified as the Valuation Method in the applicable Final Terms, the Final Price used for the purposes of calculating the Credit Event Redemption Amount shall be calculated in respect of one or more Valuation Obligations (as defined below) selected by the Calculation Agent in its sole discretion in lieu of the Reference Obligation. For such purposes, references to the term "Reference Obligation" in the definitions of "Final Price", "Quotation", "Quotation Amount", "Full Quotation", "Weighted Average Quotation" and all related definitions shall, as the case requires, be deemed to refer to each relevant Valuation Obligation. "**Valuation Obligation**" means the relevant Reference Obligation and/or one or more Deliverable Obligations selected by the Calculation Agent in accordance with this Credit Linked Condition 3. The Calculation Agent shall select the relevant Valuation Obligations and determine their respective weightings on or prior to the relevant Valuation Date, and for such purposes shall determine the applicable Deliverable Obligations in accordance with the definition of "Deliverable Obligation" in Credit Linked Condition 12 below and terms relating to Physical Delivery below. The Calculation Agent is not required to select more than one Valuation Obligation and may select the "cheapest" obligation of the Reference Obligation and/or Deliverable Obligations as the relevant Valuation Obligation(s). Notwithstanding the fact that the Calculation Agent may determine the Deliverable Obligations for the purposes of selecting the Valuation Obligations, in no event will the Notes be physically settled and the Calculation Agent is not obliged to select any such Deliverable Obligations as Valuation Obligations.

*If a Credit Event Determination Date has occurred and the Notes become redeemable 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 Noteholders and no liability shall attach to the Issuer.*

### 4. Physical Settlement

If a Credit Event Determination Date occurs, then where Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms or if Credit Linked Condition 2(B) above applies then, subject to any prior redemption in accordance with Credit Linked Condition 19, the Issuer shall, following the receipt of a Calculation Agent Physical Settlement Notice, give notice (such notice a "**Notice of Physical Settlement**") to the Noteholders in accordance with Note Condition 13 and redeem all but not some only of the Notes and Deliver in respect of each nominal amount 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, Annex 6 (Additional Terms and Conditions for Physical Delivery Notes) of the Note Conditions and these Credit Linked Conditions. The Notice of Physical Settlement shall include (i) details of the relevant Reference Entity, (ii) a description of



each Deliverable Obligation comprising the Entitlement that the Issuer reasonably expects to Deliver and (iii) the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency (in each case the relevant "**Outstanding Amount**") and, if different, the face amount, of each such Deliverable Obligation. The aggregate Outstanding Amount of all Deliverable Obligations specified in the Notice of Physical Settlement that the Issuer intends to Deliver shall be the relevant "**Aggregate Outstanding Amount**". 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.

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 provisions of paragraph (b) of the definition of "Deliver" below shall apply and the Calculation Agent may make any adjustment in relation to provisions for physical delivery and determination of the Entitlement that it determines to be necessary or desirable to take account of the relevant Asset Package.

The Issuer may, from time to time, following receipt of a Calculation Agent Physical Settlement Amendment Notice, amend a Notice of Physical Settlement by delivering a notice to Noteholders 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 Notice of Physical Settlement 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 Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the "**Replaced Deliverable Obligation Outstanding Amount**"). The Outstanding Amount of each Replacement Deliverable Obligation identified in the Physical Settlement Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of the Replacement Deliverable Obligation(s) specified in any Physical Settlement Amendment Notice in aggregate with the Outstanding Amount of the Deliverable Obligation(s) specified in the Notice of Physical Settlement or any earlier Physical Settlement Amendment Notice which, in each case, are not being replaced must not be greater than the Aggregate Outstanding Amount. 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 Notice of Physical

Settlement or any Physical Settlement Amendment Notice, as applicable, by notice to Noteholders 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 Noteholders (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 Notice of Physical Settlement 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 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 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 in accordance with this Credit Linked Condition 4, upon Delivery of the relevant Deliverable Obligations and/or payment of the Partial Cash Settlement Amounts, 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 Noteholders and no liability shall attach to the Issuer.*

## **5. Repudiation/Moratorium Extension**

If "Repudiation/Moratorium" is specified as a Credit Event in the applicable Final Terms, the provisions of this Credit Linked Condition 5 shall apply.

Where a Credit Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 8(y) applies, the Postponed Cut-Off Date (as defined in Credit Linked Condition 8) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium may, in the opinion of the Calculation Agent,

fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Noteholders 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 or (B) a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date but a Credit Event Determination Date has not occurred:
  - (A) each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Repudiation/Moratorium Evaluation Date; and
  - (B) in the case of 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 shall only be obliged to make such payment of interest on the fifth Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked Notes.

## **6. Grace Period Extension**

If "Grace Period Extension" is specified as applicable 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 Maturity Date but, in the determination of the Calculation Agent, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then the Calculation Agent shall notify the Noteholders in accordance with Note Condition 13 that a Potential Failure to Pay has occurred and:

- (i) where (A) a Failure to Pay has not occurred on or prior to the Grace Period Extension Date or (B) a Failure to Pay has occurred on or prior to the Grace Period Extension Date but a Credit Event Determination Date has not occurred:
  - (A) each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the Grace Period Extension Date; and
  - (B) in the case of 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 shall

only be obliged to make such payment of interest on the fifth Business Day following the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

- (ii) where a Failure to Pay has occurred on 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 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked Notes.

## **7. 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 Maturity Date then the Calculation Agent shall notify Noteholders in accordance with Note Condition 13 that the Maturity Date has been postponed to a date (the "**DC Determination Postponement Date**") being the day falling five Business Days after: (i) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, 15 Business Days following the relevant DC Credit Event Announcement; (ii) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, the second Business Day following the relevant DC No Credit Event Announcement; or, as applicable, (iii) 15 Business Days following the DC Credit Event Question Dismissal (the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Dismissal, as applicable, the "**DC Determination Cut-off Date**") and:

- (i) where (A) a Credit Event has not occurred on or prior to the DC Determination Cut-off Date or (B) a Credit Event has occurred on or prior to the DC Determination Cut-off Date but a Credit Event Determination Date does not occur:
  - (A) each nominal amount of Credit Linked Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the DC Determination Postponement Date; and
  - (B) in the case of 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 shall only be obliged to make such payment of interest on the DC Determination Postponement Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date occurs, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked Notes.

## **8. Maturity Date Extension**

For the avoidance of doubt, the following provisions may be applied on more than one occasion:

Without prejudice to Credit Linked Condition 10, if:

- (x) on or prior to (A) the Scheduled Maturity 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) if applicable, 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 may occur; or
- (y) on or prior to the Scheduled Maturity Date, in the opinion of the Calculation Agent, a Potential Repudiation/Moratorium may have occurred or may occur,

the Calculation Agent may at its option notify the Noteholders in accordance with Note Condition 13 that (A) in the case of (x) above, the redemption of the Notes has been postponed and the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period (which for these purposes shall apply in the case of both (x)(A) and (x)(D) above) or the DC Determination Cut-off Date, as the case may be, has been postponed to the Postponed Cut-Off Date (as defined below) or (B) in the case of (y) above, the redemption of the Notes has been postponed; and:

where:

- (i) in the case of Credit Linked Condition 8(x), a Credit Event Determination Date has not occurred on or prior to the Postponed Cut-Off Date or, in the case of Credit Linked Condition 8(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Cut-Off Date:
  - (A) subject as provided below, each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the Postponed Maturity Date; and
  - (B) in the case of 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 shall only be obliged to make such payment of interest on the Postponed Maturity Date (as defined below) and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii) where:
  - (A) in the case of Credit Linked Condition 8(x), a Credit Event Determination Date occurs on or prior to the Postponed Cut-Off Date, the provisions of Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply to the Credit Linked Notes; or
  - (B) in the case of Credit Linked Condition 8(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Cut-Off Date, the provisions of Credit Linked Condition 5 shall apply to the Credit Linked Notes.

For the purposes hereof:

**"Postponed Cut-off Date"** means (i) in the case of Credit Linked Condition 8(x), the fifteenth (15th) Business Day after the Scheduled Maturity Date, the relevant Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be; or (ii) in the case of Credit Linked Condition 8(y), the fifteenth (15th) Business Day after the Scheduled Maturity Date or, in each case, if such day is not a Business Day the immediately succeeding Business Day.

**"Postponed Maturity Date"** means the fifth Business Day following the Postponed Cut-off Date.

## 9. Partial Cash Settlement

If all or a portion of the Obligations comprising the Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations that have not been Delivered by the Final Delivery Date (as such term is defined in Annex 6 (Additional Terms and Conditions for Physical Delivery Notes) of the Note Conditions), the Issuer shall give notice (a **"Partial Cash Settlement Notice"**) to the Noteholders 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.

For the purposes of this Credit Linked Condition 9 only the following terms shall be defined as follows (unless otherwise specified in the applicable Final Terms):

**"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 Obligations, 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 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 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); (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 (ii) of the definition of "Quotation" below, an amount as determined by the Calculation Agent on the next Business Day on which at least two 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 an Undeliverable Obligation or a 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, less (C) 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) a relevant Undeliverable Obligation or Hedge Disruption Obligation forms part of the Asset Package and (ii) the Calculation Agent determines in its sole discretion that a Final Price cannot be reasonably determined in respect of such Undeliverable Obligation or Hedge Disruption Obligation, then the Partial Cash Settlement Amount (i) shall be an amount calculated by the Calculation Agent in its sole discretion equal to the fair market value of the relevant Undeliverable Obligation or Hedge Disruption Obligation less Unwind Costs, if any, (but excluding any Unwind Costs already taken into account in calculating the relevant Entitlement) by reference to such source(s) as it determines appropriate and (ii) may be zero.

**"Partial Cash Settlement Date"** is deemed to be the date falling three Business Days after (a) the date on which the Calculation Agent determines that the provisions of this Credit Linked Condition apply to the relevant Undeliverable Obligation or Hedge Disruption Obligation or, if later, (b) 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 the 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) All Quotations shall be obtained in accordance with the specification or determination made pursuant to the definition of Accrued Interest in Credit Linked Condition 12 below.

**"Quotation Amount"** is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency which shall be converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption 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 Obligation, 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 such time is specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or the Hedge Disruption Obligation, 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 the Hedge Disruption Obligation, 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.



## 10. Settlement Suspension

### (i) Suspension

Without prejudice to Credit Linked Condition 8 above, if, following the determination of a Credit Event Determination Date but prior to the relevant 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 these Credit Linked Conditions, including, without limitation, in respect of Credit Linked Condition 3, Credit Linked Condition 4, the definitions of Interest Payment Date, Credit Event Redemption Date, Valuation Date, Maturity Date, any other redemption or settlement date, Physical Settlement Period and PSN Cut-off Date and any other Credit Linked Condition provision(s) as determined by the Calculation Agent, 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. During such suspension period none of the Issuer, the Calculation Agent or any Noteholder are obliged to, nor are they entitled to, take any action in connection with the settlement of the Credit Linked Notes. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements of these Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary with the Issuer having the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Credit Linked Condition 10.

In the event of any such Suspension Period, the Calculation Agent may make (x) 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 (y) determine the effective date of such adjustment(s) or determination(s).

### (ii) Interest

In the case of interest bearing Notes:

- (A) if a Suspension Period falls in any one or more Interest Period(s), then no interest (or any interest on any delayed payment of interest) shall accrue during each portion of an Interest Period during which a Suspension Period exists; and
- (B) if an Interest Payment Date falls in a Suspension Period, payment of the relevant interest will be deferred until such date as determined by the Calculation Agent falling no earlier than the first Business Day and no later than the fifth Business Day following the end of the Suspension Period, all subject to the provisions of Note Condition 4 and Credit Linked Conditions 5, 6, 7 and 8.

## 11. Redemption following a Merger Event

If "Merger Event" is specified as applying 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 Noteholders in accordance with Note Condition 13 and redeem all but not some only of the

Notes and pay in respect of each nominal amount of Notes equal to the Calculation Amount, the Merger Event Redemption Amount on the Merger Event Redemption Date. Interest (if any) will cease to accrue on the Credit Linked Notes from (and including) the Interest Payment Date immediately preceding the Merger Event Redemption Date or, if no Interest Payment Date has occurred, no interest will accrue on the Credit Linked Notes.

## 12. Definitions

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

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

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

- (a) in respect of any Notes for which "Physical Delivery" is specified to be the Settlement Method in the applicable Final Terms (or for which Physical Delivery is applicable as the Fallback Settlement Method in accordance with Credit Linked Condition 2), 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 2), 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 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.

**"Aggregate Outstanding Amount"** has the meaning given to that term in Credit Linked Condition 4.

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

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

**"Auction"** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**"Auction Cancellation Date"** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**"Auction Covered Transaction"** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

**"Auction Final Price"** means the lesser of (i) 100 per cent. and (ii) the Auction Final Price as shall be set forth or referred to in the relevant Transaction Auction Settlement Terms.

**"Auction Final Price Determination Date"** shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

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

**"Auction Settlement Notice"** has the meaning given to that term in Credit Linked Condition 2.

**"Bankruptcy"** means the Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof or before the 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) above.

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

**"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 Notice of Physical Settlement to be given by the Issuer.

**"Cash Settlement Notice"** has the meaning given to that term in Credit Linked Condition 3.

**"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 the Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for 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 Term"** means any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and may be amended from time to time.

**"Credit Derivatives Determinations Committee"** (and each a **"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.

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

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

**"Credit Event Backstop Date"** means:

- (a) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in paragraph (b) of the definition of Repudiation/Moratorium) for the 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) 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 Credit Linked 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) (I) the Credit Event is not an M(M)R Restructuring; and
- (II) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
- (B) (I) the Credit Event is an M(M)R Restructuring; and
- (II) a Credit Event Notice is delivered and is effective on or prior to the Exercise Cut-off Date,

provided that no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, or the Calculation Agent otherwise determines this is consistent with the Hedging Arrangements; or

(b) paragraph (a) of this definition does not apply, the Non-Standard Credit Event Determination Date,

provided 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 reflect (I) such deemed date of occurrence or (II) such deemed non-occurrence, of such Credit Event Determination Date and (2) the effective date of such adjustment(s). For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any adjustment to payment amounts.

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

Any Credit Event Notice that describes a Credit Event that occurred after the 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. A Credit Event Notice shall be subject to the requirements regarding notices set out in Credit Linked Condition 16.

**"Credit Event Redemption Amount"** means (i) the amount in the Specified Currency specified as such in the applicable Final Terms or (ii) if no such amount is specified in the applicable Final Terms, an amount in the Specified Currency 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, as 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 10, the day falling the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, ten (10) Business Days) following the latest of (i) the Auction Settlement Date or the calculation of the Final Price (if Cash Settlement applies or is applicable as the Fallback Settlement Method) and (ii) the Credit Event Determination Date.

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

**"Credit Linked Business Day Convention"** means, for the purposes of these Credit Linked Conditions, 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 "Credit Linked Business Day Convention" and a date, shall mean that an adjustment 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 Credit Linked Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day (the **"Following Credit Linked Business Day Convention"**);
- (b) if "Modified Following" is specified as the applicable Credit Linked 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 Credit Linked Business Day Convention in the applicable Final Terms, that date will be the first preceding day that is a Business Day.

If no Credit Linked Business Day Convention is specified in the applicable Final Terms, the Following Credit Linked Business Day Convention shall apply.

**"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 Notice of Physical Settlement 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 Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

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

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

**"DC Credit Event Announcement"** means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the 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 7.

**"DC Determination Postponement Date"** has the meaning given to that term in Credit Linked Condition 7.

**"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 given to that term in the DC Rules.

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

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

**"Default Requirement"** means 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, USD10,000,000, 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:

- (a) to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Entitlement to the relevant Noteholder free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor) provided that (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 Noteholder and (ii) if a Deliverable Obligation is a Guarantee, "Deliver" means to Deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, "Deliver" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. "Delivery" and "Delivered" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

- (b) If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement 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 Noteholders in accordance with Credit Linked Condition 4 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 "(A) Method for Determining Deliverable Obligations" below;
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and
- (d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in the applicable Final Terms, any Prior Deliverable Obligation, or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond,

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

(A) *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 (B) 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:

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

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

(i) **"Assignable Loan"** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or 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;

(ii) **"Consent Required Loan"** means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such loan) or any agent;

(iii) **"Direct Loan Participation"** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder 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 Noteholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if

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

- (iv) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
  - (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
  - (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
  - (c) restrictions in respect of blocked periods on or around payment dates or voting periods;
- (v) "**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than the period specified in the applicable Final Terms (or if no such period is specified, thirty years);
- (vi) "**Accelerated or Matured**" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (vii) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, International or any other internationally recognised clearing system.

(B) *Interpretation of Provisions.*

- (1) 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.
- (2) If (i) either of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" 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; (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; 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.

- (3) 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.
- (4) If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:
  - (i) for purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (ii) for 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 Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: "Not Subordinated", "Credit Linked Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
  - (iii) 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"; and
  - (iv) 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 applicable 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 and the requirements specified in the paragraphs commencing "If "Mod R" ..." and "If "Mod Mod R" ..." in Credit Linked Condition 4 to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- (8) If "Subordinated European Insurance Terms" is specified as applicable in the applicable 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 (B) 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 thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign).

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

**"Downstream Affiliate"** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity. As used herein, **"Voting Shares"** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

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

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

**"Eligible Transferee"** means:

- (a) any
  - (i) bank or other financial institution;
  - (ii) insurance or reinsurance company;
  - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in sub-paragraph (c)(i) below); and
  - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least U.S.\$500 million;

- (b) an Affiliate of an entity specified in paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least U.S.\$100 million or (B) is one of a group of investment vehicles under common control or management having, in aggregate, total assets of at least U.S.\$100 million; or



- (ii) that has total assets of at least U.S.\$500 million; or
- (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) or (d); or
- (d) any Sovereign; or
- (e) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

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

**"Entitlement"** means, in respect of each nominal amount of Credit Linked Notes equal to the Calculation Amount, 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 at least 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 the 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 applicable Final Terms and (i) the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior

Reference Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and

- (c) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms and the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

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

**"Failure to Pay"** means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure provided that, if an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or

premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

**"Fallback Settlement Method"** means, 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 given in the DC Rules.

**"Final Price"** means the price of the relevant Reference Obligation(s), as the case may be, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, which shall be the lesser of (i) 100 per cent. and (ii) the price determined in accordance with the Valuation Method specified in the applicable Final Terms or, where applicable, Credit Linked Condition 9. The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Noteholders at the specified office of the Fiscal 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 the 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 (A) the payment or accrual of interest, or (B) the payment of principal or premium; or
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (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 and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period will 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, thirty calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applying in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

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

**"Grace Period Extension Date"** means, if:

- (a) "Grace Period Extension" is specified as applying in the applicable Final Terms; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date,

the date falling the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable in the applicable Final Terms, Grace Period Extension shall not apply.

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

**"Hedging Arrangements"** means any underlying or related transaction(s), asset purchase(s), asset(s), trading position(s) or arrangement(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 risks or funding of the Issuer issuing and performing its obligations with respect to the Credit Linked Notes.

**"Hedge Disruption Event"** means in the opinion of the Calculation Agent any event or circumstances (including, without limitation, any delay in settlement of any Auction) as a result of which the Issuer and/or any of its Affiliates and/or its agents (a) have not received the relevant Deliverable Obligation(s) under the terms of the Hedging Arrangements and/or (b) cannot maintain, adjust, enter into or exercise rights under its Hedging Arrangements in each case in such a manner as is necessary to meet its obligations in full as these fall due solely with amounts or assets which it is entitled to receive under the Hedging Arrangements on the relevant due date(s) therefor.

**"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.

**"ISDA Physical Settlement Matrix"** means the Credit Derivatives Physical Settlement Matrix as published by ISDA on the Date of the Physical Settlement Matrix specified in the applicable Final Terms.

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

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

**"Limitation Date"** means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **"2.5-year Limitation Date"**), 5 years, 7.5 years, 10 years (the **"10-year Limitation Date"**), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Credit Linked 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 applicable Final Terms.

**"Market Value"** means, with respect to the Reference Obligation on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;

- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount the Calculation Agent shall determine on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if 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 Maturity Date, either (A) the Issuer or a Reference Entity (any such entity, the **"Mergor"**) consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to (i) where the Mergor is the Issuer, a Reference Entity or (ii) where the Mergor is a Reference Entity, the Issuer, or (B) (i) the Issuer and (ii) 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 such amount is so specified, the lower of (a) USD1,000,000 (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 Maturity Date.

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

In connection with the above, 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.

**"Movement Option"** means, with respect to an M(M)R Restructuring for which a No Auction Announcement Date has occurred pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the option of the Issuer to apply to the Notes, for purposes of settlement, the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that could apply in respect of the Reference Transaction (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest

number of such Permissible Deliverable Obligations shall apply). If no Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, the Notes will be settled in accordance with the Fallback Settlement Method. If a Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, such event will be notified to Noteholders in accordance with 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 the London Business Day immediately following the date on which the Notice of Physical Settlement 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 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) the relevant Credit Event is an M(M)R Restructuring and a Credit Event Notice is delivered and is effective on or prior to the Non-Standard Exercise Cut-Off Date, or

(ii) the first date on which a Credit Event Notice is delivered and is effective during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is fourteen calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)) if either:

(A) (1) "Auction Settlement" is not the applicable Settlement Method;

(2) the relevant Credit Event is not an M(M)R Restructuring; and

(3) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to a DC Announcement Coverage Cut-off Date; or

(B) the Calculation Agent determines this is otherwise consistent with the Hedging Arrangements,

provided that no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date or the Calculation Agent determines this is otherwise consistent with the Hedging Arrangements.

**"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 a Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the applicable Final Terms, a Notice of Publicly Available Information, have been delivered by the Calculation Agent.

**"Notice Delivery Period"** means the period from and including the Trade Date to and including the date that is fifteen Business Days after the Extension Date.

**"Notice of Physical Settlement"** has the meaning given to that term in Credit Linked Condition 4.

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

**"Notice to Exercise Movement Option"** means, with respect to Notes for which (a) an M(M)R Restructuring applies and (b) the Fallback Settlement Method would otherwise be applicable pursuant to the Auction Settlement provisions, a notice from the Issuer to the Calculation Agent

that (i) specifies the Parallel Auction Settlement Terms applicable in accordance with the definition of Movement Option and (ii) is effective on or prior to the Movement Option Cut-off Date.

"**Obligation**" means:

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

in each case unless it is an 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 the 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 Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms, where:
  - (1) "**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
  - (2) "**Borrowed Money**" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
  - (3) "**Reference Obligation Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;
  - (4) "**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;
  - (5) "**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

- (6) **"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, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:
- (1) (a) **"Not Subordinated"** means an obligation that is not Subordinated to (I) the Reference Obligation or, (II) the Prior Reference Obligation, if applicable;
- (a) **"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
- (b) **"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;

- (2) "**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 Credit Linked Specified Currency, "Credit Linked 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;
- (3) "**Not Sovereign Lender**" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organisation 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";
- (4) "**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;
- (5) "**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;
- (6) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (7) "**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 Acceleration**" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

"**Obligation Currency**" means the currency or currencies in which 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 the Reference Entity under one or more Obligations.

**"Original Non-Standard Reference Obligation"** means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in respect of such Reference Entity in the applicable Final Terms (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the relevant Notes (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless (a) this definition of "Original Non-Standard Reference Obligation" is specifically amended or overridden in the applicable Final Terms, or (b) the relevant Notes are Reference Obligation Only Notes.

**"Outstanding Amount"** has the meaning given to that term in Credit Linked Condition 4.

**"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) such date as the Calculation Agent determines appropriate taking into account the Hedging Arrangements, 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](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within paragraphs (a) or (b) of the definition of Deliverable Obligation (above), in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

**"Parallel Auction"** means "Auction" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**"Parallel Auction Cancellation Date"** means "Auction Cancellation Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

**"Parallel Auction Settlement Terms"** means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction provided that if no such Credit Derivatives Auction Settlement Terms are published, the Calculation Agent may select in its sole discretion the applicable Credit Derivatives Auction Settlement Terms.

**"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, USD1,000,000, 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 applicable Final Terms, any Solvency Capital Provisions; or
  - (v) if "Financial Reference Entity Terms" are specified as applicable in the applicable Final Terms, provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

**"Permitted 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 4.

**"Physical Settlement Period"** means, subject to Credit Linked Condition 10, 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 Noteholders in accordance with Credit Linked Condition 4 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.

**"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 or may have occurred and the relevant 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 or may have occurred.

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



**"Potential Repudiation/Moratorium"** means the occurrence of an event described in paragraph (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 10:

- (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 2 above, Credit Linked Condition 2(B) 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) above; 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) above; 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 a 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 no such source is specified in the applicable Final Terms, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times,

Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**"Publicly Available Information"** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:

- (a) has been published in or on not less than the Specified Number of Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information); or
- (b) is information received from or published by (i) the Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (c) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

provided that where any information of the type described in paragraphs (b) or (c) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in paragraphs (b) or (c) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Without limitation, Publicly Available Information need not state:

- (i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned by the Reference Entity; and
- (ii) that the relevant occurrence:
  - (A) has met the Payment Requirement or Default Requirement;
  - (B) is the result of exceeding any applicable Grace Period; or
  - (C) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in paragraphs (a) and (b) of the definition of Repudiation/Moratorium below.

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

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

A Qualifying Guarantee shall not include any guarantee:

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

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

suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- I. the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- II. if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

**"Qualifying 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 of the Outstanding Principal Balance or Due and Payable Amount, as applicable, of the Reference Obligation 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 "Representative Amount") or, if no amount is specified in the applicable Final Terms, the amount selected by the Calculation Agent in respect of each Reference Obligation or Deliverable Obligation selected by the Calculation Agent provided that the aggregate of all such amounts (or the equivalents of such amounts in the Specified Currency converted by the Calculation Agent by reference to exchange

rates at or about the relevant Valuation Date) shall not exceed the aggregate principal amount of the Notes outstanding on or about the relevant Valuation Date.

**"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. 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 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 specified as such in the applicable Final Terms. Any Successor to the Reference Entity either (a) identified pursuant to the definition of "Successor" on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the purposes of the relevant Series.

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

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

If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation and the Calculation Agent will select as a substitute Reference Obligation any Deliverable Obligation with the same level of seniority as the relevant Seniority Level. In addition, (i) the Calculation Agent may replace the Reference Obligation with any

further Deliverable Obligation with the same level of seniority as the relevant Seniority Level from time to time and (ii) if a new obligation is placed on the SRO List, in respect of the relevant Reference Entity, then the Calculation Agent may, but is not obliged to, select the new Standard Reference Obligation in respect of the Reference Entity as the Reference Obligation. The provisions of this definition may be applied by the Calculation Agent on more than one occasion and are without prejudice to the right of the Calculation Agent to determine a Substitute Reference Obligation.

**"Reference Obligation Only Notes"** means any Notes in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and, if applicable, the Deliverable Obligation Category in the applicable Final Terms and (b) "Standard Reference Obligation" is specified as not applicable in the applicable Final Terms.

**"Reference Transaction"** means a hypothetical credit derivative transaction:

- (a) for which the Deliverable Obligation Terms, the Reference Obligation and the Reference Entity are (i) the same as in respect of the Notes (if Deliverable Obligation Terms and a Reference Obligation are specified in the applicable Final Terms) or (ii) if and to the extent Deliverable Obligation Terms and/or a Reference Obligation are not so specified, the Deliverable Obligation Terms and Reference Obligation determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;
- (b) with a scheduled termination date matching the Scheduled Maturity Date; and
- (c) otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Hedging Arrangements and/or any credit derivative elections made in relation to the Notes.

**"Relevant City Business Day"** has the meaning given in the DC Rules.

**"Relevant Guarantee"** means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the applicable Final Terms, a Qualifying Guarantee.

**"Relevant Holder"** means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Notice of Physical Settlement or Physical Settlement Amendment Notice, as applicable.

**"Relevant Obligations"** means the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;

- (b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor below, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
- (c) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms and (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and
- (d) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final Terms, and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan".

**"Replaced Deliverable Obligation Outstanding Amount"** has the meaning given to that term in Credit Linked Condition 4.

**"Replacement Deliverable Obligation"** has the meaning given to that term in Credit Linked Condition 4.

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market and at the relevant time, which amount will be determined by the Calculation Agent.

**"Repudiation/Moratorium"** means the occurrence of both of the following events:

- (a) an authorised officer of the 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 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 Maturity Date, unless the Repudiation/Moratorium Extension Condition is satisfied.

**"Repudiation/Moratorium Extension Condition"** will be satisfied:

- (i) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is 14 calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date; or
- (ii) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the applicable Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Scheduled Maturity Date.

**"Repudiation/Moratorium Extension Notice"** means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

**"Resolve"** has the meaning set out in the DC Rules, and **"Resolved"** and **"Resolves"** shall be construed accordingly.

**"Restructured Bond or Loan"** means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**"Restructuring"** means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the

holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date applicable to the relevant Notes and the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (a) the payment in euro of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (b) the redenomination from euros into another currency, if (i) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (ii) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (c) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (d) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (v) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken

by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of this definition of Restructuring and Credit Linked Condition 14, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in paragraphs (i) to (v) of this definition of Restructuring shall be deemed to refer to the Underlying Obligor and the references to the Reference Entity in paragraphs (a) to (d) of this definition of Restructuring shall continue to be deemed to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (i) to (v) has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**"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 Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5 year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan. For these purposes, the final maturity date shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

**"Revised Currency Rate"** means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent.

**"Seniority Level"** means, with respect to an obligation of the Reference Entity:

- (a) "Senior Level" or "Subordinated Level" as specified in the applicable Final Terms; or
- (b) if no such seniority level is specified in the applicable Final Terms, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which;
- (c) "Senior Level".

**"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 or if no Settlement Method is specified 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 such 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](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

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

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

**"Steps Plan"** means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

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

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

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (b)(i) of the definition of Substitution Event below has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event below occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
  - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
  - (ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
  - (iii) (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
    - I. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,

- II. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above;
  - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
    - I. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - II. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,
    - III. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
    - IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or
  - (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
    - I. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
    - II. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - III. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,
    - IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the Notes as determined by the Calculation Agent. The Calculation Agent will notify the Noteholders in accordance with Note Condition 13 of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above

and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation.

- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation until the Extension Date although the Calculation Agent is not obliged to select a Substitute Reference Obligation at any time. 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, a Substitute Reference Obligation has not been identified, then the Issuer shall have the right on or after the Extension Date to redeem the Notes at the Early Redemption Amount (determined by the Calculation Agent taking into account the creditworthiness of the Reference Entity at the time of the early redemption) by notice to Noteholders in accordance with Note Condition 13, such payment to be made as specified in such notice. Such notice shall contain details of the procedures and due date for such early redemption.
- (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 USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
- (ii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and

of itself, constitute a Substitution Event. If an event described in paragraphs (a) or (b)(i) above has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraphs (a) or (b)(i) above as the case may be, on the Trade Date.

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

**"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to paragraph (a) of the definition of Successor below would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

**"Successor"** means:

- (a) subject to paragraph (b) below, the entity or entities, if any, determined as follows:
  - (i) subject to paragraph (vii) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to 75 per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
  - (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;
  - (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor and the Note Conditions, these Credit Linked Conditions and/or the applicable Final Terms will be adjusted as provided below;
  - (iv) if one or more entities each succeed, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the Note Conditions, these Credit Linked Conditions and/or the applicable Final Terms will be adjusted as provided below;
  - (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the



Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;

- (vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor and the Note Conditions, these Credit Linked Conditions and/or the applicable Final Terms will be adjusted as provided below); and
  - (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor; and
- (b) An entity may only be a Successor if:
- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 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) above, provided that the Calculation Agent will not make any such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor on the basis of Eligible Information and will, as soon as practicable after such calculation or determination, make such calculation or determination available for inspection by Noteholders at the specified office of the Fiscal Agent. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

Where pursuant to paragraph (a)(iii), (a)(iv), (a)(vi) or (b) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Note Conditions, these Credit Linked 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 the Note Conditions, these Credit Linked Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes under the provisions of the 2014 ISDA Credit Derivatives Definitions.

Upon the Calculation Agent making such adjustment and notifying the Issuer of such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Note Condition 13, stating the adjustment to the Note Conditions, these Credit Linked 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, in the case of Nth-to-Default Credit Linked Notes, 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 pursuant thereto 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 pursuant thereto 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 from (and including) the relevant Succession Date and the Calculation Agent may make such adjustments to the Note Conditions, these Credit Linked 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 as aforesaid, 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 or, in the case of Zero Coupon Notes, the Final Redemption Amount 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, these Credit Linked Conditions and/or the applicable Final Terms to account for the Successor Associated Costs, which may include, without limitation, reducing the Final Redemption Amount and/or the Credit Event Redemption Amount 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 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 relevant Affected Reference Entity. 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 specified by Moody's Investor Service, Inc. or any successor to the rating business thereof or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof as the relevant Affected Reference Entity, as determined by the Calculation Agent in its sole and absolute discretion;

**"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 relevant Succession Date and ending on the Scheduled Maturity Date and with the Reference Obligation(s) specified in the applicable Final Terms;

**"Spread Requirement"** means an entity that, as at the date of selection, has a Spread not greater than the product of (a) the Spread Percentage Requirement specified in the applicable Final Terms and (b) the Spread of the relevant Affected Reference Entity, immediately prior to the relevant Succession Date as determined by the Calculation Agent in its sole and absolute discretion; and

**"Successor Associated Costs"** means an amount per nominal amount of Notes equal to the Calculation Amount (which may not be less than zero) equal to such Note's *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 of the Notes, all as determined by the Calculation Agent in its sole and absolute 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 Credit Linked Business Day Convention.

**"Successor Notice"** means a notice from the Calculation Agent to the Issuer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined.

A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to paragraph (a) of the definition of Successor above.

**"Successor Resolution Request Date"** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**"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](http://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 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 Notes.

**"Transaction Type"** means, in respect of a Reference Entity, the Transaction Type specified in respect of such Reference Entity in the applicable Final Terms.

**"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 but excluding the non-receipt of any requisite consents with respect to the Delivery of Loans or non-delivery of an Asset Transfer Notice or any information by a Noteholder) 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 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 of the Notes and the related termination, settlement or re-establishment of any Hedging Arrangements, such amount to be apportioned *pro rata* amongst each of the Notes.

**"Valuation Date"** means, subject to Credit Linked Condition 10:

- (a) where Physical Delivery is specified as applying in the applicable Final Terms, the day falling two Business Days after the Final Delivery Date or such other earlier date determined by the Calculation Agent by reference to the Hedging Arrangements (if any), or, otherwise;
- (b)
  - (i) if "Single Valuation Date" is specified in the applicable Final Terms and subject to Credit Linked Condition 10, 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 in accordance with paragraphs (i) or (ii) of Credit Linked Condition 2 above, 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
  - (ii) if "Multiple Valuation Dates" is specified in the applicable Final Terms, each of the following dates:
    - (A) subject to Credit Linked Condition 10, 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 the applicable Fallback Settlement Method in accordance with paragraphs (i) or (ii) of Credit Linked Condition 2 above, 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
    - (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 with only one Valuation Date:
- (i) **"Market"** means the Market Value determined by the Calculation Agent with respect to the Valuation Date;
  - (ii) **"Highest"** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date; or
  - (iii) **"Weighted Highest"** means the weighted arithmetic mean of the highest Quotations obtained for each relevant Valuation Obligation provided that if "Weighted Highest" is specified in the applicable Final Terms and only one Valuation Obligation is selected by the Calculation Agent pursuant to Credit Linked Condition 3 for the purposes of valuation, the relevant Valuation Method shall be deemed to be "Highest".

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Highest.

- (b) 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.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Highest.

- (c) Notwithstanding paragraphs (a) and (b) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market or Average Market, as the case may be.
- (d) Where applicable, the applicable Final Terms may specify an alternative Valuation Method which shall be applicable in respect of the relevant Notes.

**"Valuation Time"** means the time specified as such in the applicable Final Terms or, if no such time is specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

**"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.

### **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 these Credit Linked Conditions, upon the occurrence of an M(M)R Restructuring:

- (i) The Calculation Agent may deliver multiple Credit Event Notices in respect of such M(M)R 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 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 or deliverable to Noteholders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to the Note Conditions and/or 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 Condition 13(a) and (y) the effective date of such adjustment(s).
- (iii) If the provisions of this Credit Linked Condition 13(a) 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 Bearer Note or Global Certificate, such Global Bearer Note or Global Certificate, as the case may be, shall be endorsed to reflect such part redemption.

### **14. Provisions relating to Multiple Holder Obligation**

Unless this Credit Linked Condition 14 is specified as not applicable in the applicable Final Terms, then, 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 (i) to (v) of the definition of "Restructuring" 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) (A) is a Bond and/or (B) is an 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 Physically Settled Default Swaps– Monoline Insurer as Reference Entity" (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 13 and paragraph (a) of the definition of "Deliverable Obligation" in Credit Linked Condition 12 are hereby amended by adding "or Qualifying Policy" after "as provider of a Relevant Guarantee".
- (b) **Interpretation of Provisions.** In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (B) of the definition of "Deliverable Obligation" in Credit Linked Condition 12 will apply, with references to the Relevant Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
  - (i) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in these Credit Linked Conditions in respect of such an Insured Instrument shall be construed accordingly;
  - (ii) references in the definitions of Assignable Loan and Consent Required Loan to the "guarantor" and "guaranteeing" shall be deemed to include the "insurer" and "insuring", respectively;
  - (iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable 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 Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument;
  - (v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the

specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur; and

- (vi) with respect to a Qualifying Policy and an Insured Instrument, only the Qualifying Policy must satisfy on the relevant date or dates the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, if applicable.
- (c) **Outstanding Principal Balance.** References in paragraph (a) of the definition of "Outstanding Principal Balance" in Credit Linked Condition 12 to a Guarantee, the Underlying Obligation and the Underlying Obligor shall be deemed to include a Qualifying Policy, the Insured Instrument and the Insured Obligor respectively. Any provisions of an Insured Instrument limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instruments shall be disregarded for the purposes of limb (ii) of paragraph (b) of the definition of "Outstanding Principal Balance" provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.
- (d) **Deliver.** For the purposes of the definition of "Deliver" in Credit Linked Condition 12, "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "Delivery" and "Delivered" will be construed accordingly.
- (e) **Provisions for Determining a Successor.** Paragraph (a), the paragraph commencing "If two or more entities..." and the paragraph commencing "For the purposes of this definition of "Successor"...", in each case in the definition of "Successor" in Credit Linked Condition 12 are hereby amended by adding "or Qualifying Policy" after each occurrence of "a Relevant Guarantee". Such paragraph commencing "If two or more entities..." will be further amended by adding "or provider of a Qualifying Policy" after "as guarantor or guarantors".
- (f) **Original Non-Standard Reference Obligation, Substitute Reference Obligation and Substitution Event.** The definition of "Original Non-Standard Reference Obligation", paragraph (c)(i) of the definition of "Substitute Reference Obligation" and paragraph (b)(ii) of "Substitution Event" are hereby amended by adding "or Qualifying Policy" after "a guarantee".
- (g) **Restructuring**
- (i) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (i) to (v) inclusive of the definition of "Restructuring" in Credit Linked Condition 12 are hereby amended to read as follows:
    - "(i) a reduction in the rate or amount of the Instrument Payments in paragraph (A)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);

- (ii) a reduction in the amount of the Instrument Payments described in paragraph (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (x) the payment or accrual of the Instrument Payments described in paragraph (A)(x) of the definition thereof or (y) the payment of the Instrument Payments described in paragraph (A)(y) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;
  - (iv) a change in the ranking in priority of payment of (x) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (y) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
  - (v) any change in the currency of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro as a whole)."
- (ii) Paragraph (d) of the definition of "Restructuring" in Credit Linked Condition 12 is hereby amended by adding "or, in the case of a Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy" at the end thereof.
  - (iii) The definition of "Restructuring" in Credit Linked Condition 12 is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

"For purposes of this definition of "Restructuring" and, if Credit Linked Condition 14 is specified as applying in the applicable Final Terms, for the purposes of Credit Linked Condition 14, the term "Obligation" shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in this definition of "Restructuring" shall be deemed to refer to the Insured Obligor with the exception of the references to the Reference Entity in paragraph (d) inclusive in

this definition of "Restructuring" which shall continue to refer to the Reference Entity."

- (h) **Fully Transferable Obligation and Conditionally Transferable Obligation.** In the event that "M(M)R Restructuring" applies and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition. References in the definition of "Conditionally Transferable Obligation" to the "guarantor" and "guaranteeing" shall be deemed to include the "insurer" and "insuring" respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in Credit Linked Condition 4 and the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (i) **Other Provisions.** For purposes of the definitions of "Credit Event", "Deliver" and "Prohibited Action" in Credit Linked Condition 12 references to the "Underlying Obligation" and the "Underlying Obligor" shall be deemed to include "Insured Instruments" 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 Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in these Credit Linked Conditions) (the "**Insured Instrument**") for which another party (including a special purpose entity or trust) is the obligor (the "**Insured Obligor**"). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments).

"**Instrument Payments**" means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in paragraph (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 Instrument that is in the form of a pass through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

## **16. Determinations, Timings and Notices**

### **(a) Determinations**

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 the Notes shall (in the absence of manifest error) be final, conclusive and binding on the Issuer and the Noteholders 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 Noteholders. Whenever the Calculation Agent is required to make any determination it may, inter alia, decide issues of construction and legal interpretation. Unless otherwise provided herein, in performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, 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.

### **(b) Timings**

The Calculation Agent will determine the day on which an event occurs for purposes of these Credit Linked Conditions on the basis that the demarcation of days shall be made 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.

### **(c) Notices**

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

## **17. Provisions taken from the ISDA supplement titled "Additional Provisions for LPN Reference Entities" (published on 15 September 2014)**

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 12, 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 12 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 Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (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 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, as of the Trade Date (which list is, as of December 12, 2018, available at <https://ihsmarkit.com/products/red-cds.html>), 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. The Standard Reference Obligation 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. No Substitution Event may occur and no Substitute Reference Obligation may be determined in respect of an LPN Reference Obligation and the definitions of Substitution Event and Substitute Reference Obligation in this Credit Linked Condition 12 shall be construed accordingly.";

- (e) the definition of Original Non-Standard Reference Obligation shall be deleted and the following substituted therefor:

**"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)."

(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 Instrument**"), 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 Instrument with respect to such LPN the Underlying Finance Instrument 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 Instrument (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, as of December 12, 2018, available at <https://ihsmarkit.com/products/red-cds.html>).

**"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 LPN 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. 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 and the applicable Final Terms in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or desirable (i) to incorporate and/or reflect (x) further or alternative documents or protocols from time to time published by ISDA with respect to the documentation, trading or settlement of credit derivative transactions

and/or (y) the operation or application of determinations by the Credit Derivatives Determinations Committees and/or (ii) to reflect or account for market practice for credit derivative transactions and/or reflect the Hedging Arrangements of the Issuer or any of its Affiliates. Any amendment made in accordance with this Credit Linked Condition 18 shall be notified to the Noteholders in accordance with Note Condition 13.

#### **19. Early redemption of Reference Obligation Only Notes following a Substitution Event**

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

- (i) interest (if any) shall cease to accrue on the Credit Linked 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 Credit Linked Notes; and
- (ii) each nominal amount of Credit Linked Notes equal to the Calculation Amount 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 19 shall be the day falling five Business Days following the relevant Substitution Event Date.

#### **20. 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 Hedging Arrangements.

#### **21. Hedging Disruption**

- (a) Hedging Disruption Adjustment

In the event that:

- (i) the Issuer and/or any of its Affiliates or agents 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 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);
- (ii) the Reference Obligation no longer exists or other circumstances exist as described in paragraphs (a) or (b) of the definition of Substitution Event and no Substitute Reference Obligation is determined (which the Calculation Agent may determine not to do in its sole discretion);
- (iii) the existing Hedging Arrangements of the Issuer or any Affiliate, or the ability of the Issuer or any Affiliate to enter into new Hedging Arrangements, are affected by any change in any standard terms used in any relevant market (such standard terms including, without limitation, any version of the ISDA Credit Derivative Definitions, any supplements thereto or any other terms or documentation that may be published by ISDA from time to time, and such a change including, without limitation, any amendment to or reinterpretation of any standard terms or the publication or introduction of new standard terms) or in market practice in any relevant market, or
- (iv) the Issuer and/or any of its Affiliates or agents acting on its behalf 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) or cost of capital or capital to be set aside to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realize, recover or remit the proceeds of any such transaction(s) or asset(s); unless any such materially increased amount is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates or agents,

(each of the events described in paragraphs (i) to (iii) above, a "**Hedging Adjustment Event**") the Issuer may make such adjustment to the Conditions of the Notes (including, for the avoidance of doubt, these Credit Linked Conditions) as the Issuer determines is appropriate to account for such Hedging Adjustment Event and determine the effective date of that adjustment. Any adjustment made in accordance with this Credit Linked Condition 21 shall be notified to the Noteholders in accordance with Note Condition 13.

(b) Hedging Disruption Termination

Notwithstanding the provisions of Credit Linked Condition 21(a) above, if the Issuer determines that no adjustment that it could make under Credit Linked Condition 21(a) above would be sufficient (in the Issuer's opinion) to reflect the occurrence of the relevant Hedging Adjustment Event, the Issuer may redeem all but not some only of the Notes as of such date as the Issuer shall determine by notice given to the Noteholders in accordance with Note Condition 13, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount. Interest (if any) will cease to accrue on the Credit Linked Notes from (and including) the Interest Payment Date immediately preceding the due date for redemption or, if no Interest Payment Date has occurred, no interest will accrue on the Credit Linked Notes.

**22. Physical Settlement Matrix**

(a) Applicability of the provisions of the ISDA Physical Settlement Matrix

If Physical Settlement Matrix is specified as applicable in the applicable Final Terms, each item in the Final Terms in respect of which "See Physical Settlement Matrix" is specified shall, in respect of a Reference Entity, be construed to have the meaning given to it for the relevant Transaction Type in the ISDA Physical Settlement Matrix (as defined in Credit Linked Condition 12 above) but in each case (if relevant) as such provisions of the ISDA Physical Settlement Matrix are amended in accordance with paragraph (b) of this Credit Linked Condition 22.

For the avoidance of doubt, none of the other provisions of the relevant Physical Settlement Matrix shall be relevant in determining the terms of the Notes.

(b) Amendments to the provisions of the ISDA Physical Settlement Matrix

To the extent applicable in accordance with paragraph (a) above, the following provisions of the relevant ISDA Physical Settlement Matrix shall be amended as follows:

<b>Provision</b>	<b>Amendment</b>
Credit Events	References to "Floating Rate Payer Calculation Amount" shall be deemed to be references to "Calculation Amount".
Obligation Characteristics/Deliverable Obligation Characteristics	References to "Specified Currency" shall be deemed to be references to "Credit Linked Specified Currency".
Physical Settlement Period	References to "Section 8.19 of the Definitions" shall be deemed to be references to "the definition of Physical Settlement Period in Credit Linked Condition 12".
Monoline Supplement	References to "Monoline Supplement" shall be deemed to be references to Credit Linked Condition 15 "Provisions taken from the ISDA supplement titled "Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity"". The reference to "the relevant Confirmation" shall be deemed to be a reference to "the applicable Final Terms".
LPN Additional Provisions	References to "LPN Additional

CoCo Supplement	<p>Provisions" shall be deemed to be references to Credit Linked Condition 17 "Provisions taken from the ISDA supplement titled "Additional Provisions for LPN Reference Entities"".</p> <p>References to "2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions (September 15, 2014)" shall be deemed to be references to Credit Linked Condition 23 "Provisions taken from the 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions (published on September 15, 2014)"</p>
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**23. Provisions taken from the 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions (published on September 15, 2014)**

If this Credit Linked Condition 23 is specified as applicable in the applicable Final Terms in respect of the Reference Entity, notwithstanding anything to the contrary in the Credit Linked Conditions, the following provisions will apply to the Reference Entity:

- (a) If, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, the operation of one or more CoCo Provisions results in (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, such event shall be deemed to constitute a Governmental Intervention as defined in Credit Linked Condition 12.
- (b) A CoCo Provision shall be deemed to be a provision which permits a Governmental Intervention for all purposes under the Credit Linked Conditions.
- (c) The following terms shall have the following meanings:

**"Coco Provision"** means, with respect to an Obligation, a provision which requires (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, in each case, if the Capital Ratio is at or below the Trigger Percentage.

**"Trigger Percentage"** means the trigger percentage specified in respect of the Reference Entity (or if no such trigger percentage is specified, 5.25 per cent.).

**"Capital Ratio"** means the ratio of capital to risk weighted assets applicable to the Obligation, as described in the terms thereof in effect from time to time.

**24. Interest Accrual**

Note Condition 4(h) shall be deleted and the following substituted therefor:

"(h) **Interest Accrual:**

Subject as provided in the Credit Linked Conditions, interest will cease to accrue on each such Note (or in the case of partial redemption of a Note, that part only of such Note) on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid and/or all assets deliverable in respect of such Note have been delivered; and
- (ii) five days after the date on which full payment of the moneys payable in respect of such Note has been received by the Fiscal Agent,

Provided That if:

- (x) "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 Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Payment Date such Interest Payment Date or, if the Credit Event Determination Date falls prior to the first Interest Payment Date, no interest shall accrue on the Notes; or
- (y) "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 Credit Event Determination Date; and

Provided Further That, if

- (a) Credit Linked Condition 5, Credit Linked Condition 6 or Credit Linked Condition 7 applies in respect of the Notes and, in the case of Credit Linked Condition 5, a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of Credit Linked Condition 6, a Failure to Pay has not occurred on or prior to the Grace Period Extension Date or, in the case of Credit Linked Condition 7, a Credit Event has not occurred on or prior to the DC Determination Cut-off Date; and/or
- (b) Credit Linked Condition 8 applies in respect of the Notes and, as applicable:
  - (1) a Credit Event Determination Date has not occurred; or
  - (2) the Repudiation/Moratorium Extension Condition is not satisfied,

in each case, on or prior to the Postponed Cut-Off Date,

then interest will accrue as provided in Credit Linked Condition 5, Credit Linked Condition 6, Credit Linked Condition 7 or Credit Linked Condition 8, as the case may be."

## 25. Nth-to-Default Credit Linked Notes

In the case of Credit Linked Notes for which Nth-to-Default Credit Linked Notes is specified as applicable in the applicable Final Terms ("**Nth-to-Default Credit Linked Notes**") the provisions of this Condition 25 shall apply.

If a Credit Event Determination Date has occurred in relation to one or more of the specified Reference Entities, notwithstanding any provision to the contrary in these Credit Linked Conditions, no settlement in accordance with Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, will occur until such time as a Credit Event Determination Date has occurred in respect of the Relevant Number of Reference Entities (a "**Trigger**"). The Reference Entity in respect of which a Credit Event Determination Date has occurred which causes the Trigger to occur is referred to as the "**Triggering Reference Entity**" and the "**Relevant Number**" is the number specified as such in the applicable Final Terms. As of the day on which the Calculation Agent determines that a Credit Event Determination Date has occurred in respect of the Relevant Number of Reference Entities then Credit Linked Condition 2, Credit Linked Condition 3 or Credit Linked Condition 4, as applicable, shall apply in relation only to the Triggering Reference Entity.

If a Credit Event Determination Date occurs with respect to more than one Reference Entity on the same day, the Calculation Agent shall determine in its sole discretion the order in which such Credit Event Determination Dates occur.

Once a Credit Event Determination Date has occurred in respect of the Triggering Reference Entity, where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity.

For the avoidance of doubt the provisions of Credit Linked Conditions 5, 6, 7 and 8 will each apply to Nth-to-Default Credit Linked Notes meaning that the Maturity Date may be delayed beyond the Scheduled Maturity Date in certain circumstances.

**ANNEX 5**  
**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**”) and the Additional Terms and Conditions for Fund Linked Notes set out below (the “**Fund Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Note Conditions and the Fund Linked Conditions, the Fund Linked Conditions shall prevail. In the event of any inconsistency between (i) the Note Conditions and/or the Fund Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

**1. General Definitions**

“**Averaging Date**” means, in respect of an Actual Exercise Date, each date specified as an Averaging Date in the applicable Final Terms.

“**Valuation Date**” means each Valuation Date specified in the applicable Final Terms.

**2. Provisions relating to Funds other than Exchange Traded Funds**

Fund Linked Conditions 3, 4 and 5 apply in respect of Funds other than Exchange Traded Funds.

**3. Definitions (Funds other than Exchange Traded Funds)**

“**Basket of Funds**” means a basket composed of Funds in the relative proportions or number of Funds, as specified in the applicable Final Terms.

“**Fund**” means, subject to adjustment in accordance with these Fund Linked Conditions, each fund specified in the applicable Final Terms and related expressions shall be construed accordingly.

“**Fund Administrator**” means the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for a Fund according to the relevant Fund Documents.

“**Fund Adviser**” means any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser).

“**Fund Documents**” means the constitutive and governing documents, subscription agreements and other agreements of a Fund specifying the terms and conditions relating to the related Fund Interest, as amended from time to time.

“**Fund Interest**” means, subject to adjustment in accordance with these Fund Linked Conditions, each fund interest specified in the applicable Final Terms and related expressions shall be construed accordingly.

“**Fund Redemption Valuation Date**” means, in respect of a Fund Interest, the date as of which a 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 has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

“**Fund Service Provider**” means any person who is appointed to provide services, directly or indirectly, to a Fund, whether or not specified in the relevant Fund Documents, including without

limitation any Fund Administrator, Fund Adviser, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

“**Fund Valuation Date**” means a date as of which a Fund (or its Fund Service Provider that generally determines such value) determines the value of the related Fund Interest.

“**Hypothetical Investor**” means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organized in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation).

“**Removal Date**” means, in respect of an Affected Fund Interest, the date on which the Calculation Agent determines that a Hypothetical Investor would receive the Removal Value in respect of a redemption or realization of such Affected Fund Interest effected as soon as reasonably practicable following the occurrence of the relevant Fund Event.

“**Removal Value**” means, in respect of an Affected Fund Interest, the amount that the Calculation Agent determines a Hypothetical Investor would receive in cash on the redemption or realization of such Affected Fund Interest at the relevant time, provided that if any such redemption proceeds would comprise non-monetary assets the Removal Value may, at the sole and absolute discretion of the Calculation Agent, include only such amount (if any) that the Calculation Agent determines would be received by the Hypothetical Investor in respect of a realization (in whatsoever manner the Calculation Agent determines appropriate) of such non-monetary assets as soon as reasonably practicable after their receipt.

“**Scheduled Fund Redemption Valuation Date**” means the date as of which a Fund (or its Fund Service Provider that generally determine such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the related 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.

“**Scheduled Fund Valuation Date**” means, in respect of a Fund Interest, a date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the value of the related Fund Interest or, if the Fund only reports its aggregate net asset value, the date as of which such Fund is scheduled to determine its aggregate net asset value.

#### 4. **Fund Events**

“**Fund Event**” means the occurrence of each of an Additional Fund Disruption Event, a Fund Disruption Event and/or a Fund Extraordinary Event as determined by the Calculation Agent.

(a) “**Additional Fund Disruption Event**” means each of Change in Law, Fund Hedging Disruption or Increased Cost of Hedging.

“**Change in Law**” means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or an

Announced Prospective Change, or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer or any of its Affiliates or agents acting on its behalf determines in good faith that (x) it has become illegal to hold, acquire or dispose of any Fund Interests, or (y) the Issuer will incur (or, in the case of an Announced Prospective Change and assuming that such Announced Prospective Change becomes effective as of the date specified in such announcement and in the form announced, would incur) a materially increased cost in performing its obligations under the Fund Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

**“Fund Hedging Disruption”** means that the Issuer or any of its Affiliates or agents is unable, or it is impractical for the Issuer or any of its Affiliates or agents, after using commercially reasonable efforts, to (i) 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 any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realize, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (x) any restrictions or increase in charges or fees imposed by a Fund on an investor’s ability to redeem the related 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 (y) any mandatory redemption, in whole or in part, of a Fund Interest imposed by the related Fund (in each case other than any restriction in existence on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date).

**“Increased Cost of Hedging”** means that the Issuer or any of its Affiliates or agents would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) or cost of capital or capital to be set aside to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk (including, but not limited to, dividend risk and currency risk) relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realize, recover or remit the proceeds of any 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 shall not be deemed an Increased Cost of Hedging.

- (b) **“Fund Disruption Event”** means at any time the occurrence or continuance of any of the following events, as determined by the Calculation Agent in its sole and absolute discretion, if the Calculation Agent determines any such event is material:
- (i) **Fund Valuation Disruption:** “Fund Valuation Disruption” means (x) the failure of a Scheduled Fund Redemption Valuation Date in respect of a Fund Interest to be a Fund Redemption Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Redemption Valuation Date, or (y) the failure of a Scheduled Fund Valuation Date in respect of a Fund Interest to be a Fund Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Valuation Date;
  - (ii) **Fund Settlement Disruption:** “Fund Settlement Disruption” means a failure by a Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest scheduled to have been paid on or by such day according to the relevant Fund Documents (without



giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests).

- (c) **“Fund Extraordinary Event”** means each of the following events:
- (i) Nationalization: **“Nationalization”** means that all the Fund Interests or all or substantially all the assets of a Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
  - (ii) Insolvency: **“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (x) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (y) holders of the Fund Interests of that Fund become legally prohibited from transferring or redeeming them;
  - (iii) Fund Insolvency Event: **“Fund Insolvency Event”** means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (x) 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 organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (y) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (x) above and either (1) 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 (2) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (D) 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; (E) 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 of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) and (F) above;
  - (iv) NAV Trigger Event: **“NAV Trigger Event”** means that (x) the aggregate net asset value of a Fund has decreased by an amount equal to or greater than 30 per cent. since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or (y) a Fund has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its

assets, the relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;

- (v) Adviser Resignation Event: “**Adviser Resignation Event**” means the resignation, termination of appointment, or replacement of a Fund’s Fund Adviser;
- (vi) Fund Modification: “**Fund Modification**” means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;
- (vii) Strategy Breach: “**Strategy Breach**” means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Fund;
- (viii) Regulatory Action: “**Regulatory Action**” means (x) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (y) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent), or (z) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;
- (ix) Reporting Disruption: “**Reporting Disruption**” means (x) occurrence of any event affecting a 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 in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates, as the case may be; (y) any failure of a Fund to deliver, or cause to be delivered, (A) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Fund’s, or its authorised representative’s, normal practice and that the Calculation Agent deems necessary to monitor such Fund’s compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;

- (x) Fund Service Provider Cessation: “**Fund Service Provider Cessation**” means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;
- (xi) Fund Administrator Disruption: “**Fund Administrator Disruption**” means any event or circumstances, which in the opinion of the Calculation Agent compromises the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or
- (xii) Related Agreement Termination: “**Related Agreement Termination**” means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

Following the occurrence of a Fund Event, the Issuer may take the action described in (i) or (ii) below which the Calculation Agent, in its sole and absolute discretion, determines to be practicable, which may be determined by the Calculation Agent after all necessary information has been obtained and/ or released by the Fund:

- (i) require the Calculation Agent to make such determinations and/or adjustments to the Terms and Conditions and/or the applicable Final Terms as it determines appropriate to account for the Fund Event, which may include, without limitation,
  - (a) delaying any determination date (including any Valuation Date or Averaging Date) and/or any date on which payment might otherwise have to be made under the terms of the applicable Final Terms until it determines that no Fund Event exists;
  - (b) determining that, in the sole and absolute discretion of the Calculation Agent, one or more Fund Events may continue until or after any scheduled determination dates and/or payment dates as set out in the applicable Final Terms, and thereafter determining to fix any determination date (including any Valuation or Averaging Date) and/or date on which payment should be made, and making payment on such date of such amount as is appropriate, as determined in sole and absolute discretion of the Calculation Agent, taking into account the Fund Event, and which may be based solely on any amounts of cash that a Hypothetical Investor in the Fund actually received from the Fund during the relevant period or periods (and which may be less than any relevant net asset value published for the Fund, and may be as low as zero);
  - (c) calculating the value of a Fund Interest and/or replacing a Fund Interest (the “**Affected Fund Interest**”) with a replacement fund interest (the “**Replacement Fund Interest**”) with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or
- (ii) on giving notice to the Noteholders in accordance with Note Condition 13, redeem all (but not some only) of the Notes, each Note being redeemed at the Early Redemption Amount.

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest.

Upon the occurrence of a Fund Event, the Issuer shall give notice as soon as reasonably practicable to the Noteholders in accordance with Note Condition 13 giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action.

## 5. Fund Potential Adjustment Events

“**Fund Potential Adjustment Event**” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalization or similar issue;
- (ii) a distribution, issue or dividend to existing holders of relevant Fund Interests of (A) such Fund Interests or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the related Fund equally or proportionately with such payments to holders of such Fund Interests or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related 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 (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or
- (v) any other event that may have, in the opinion of the Calculation Agent, a diluting, concentrative or other on the theoretical value of relevant Fund Interests.

Following the declaration by a Fund of the terms of any Fund Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Fund Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interest and, if so, will make the corresponding adjustment, if any, to any one or more of any of the terms of the Terms and 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 (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as reasonably practicable to the Noteholders in accordance with Note Condition 13 stating the adjustment to any of the terms of the Terms and Conditions, and/or the applicable Final Terms and giving brief details of the Fund Potential Adjustment Event, provided that any failure to give, or non receipt of, such notice will not affect the validity of any such adjustment.

## 6. Provisions relating to Exchange Traded Funds

Fund Linked Conditions 7, 8, 9 and 10 apply to Exchange Traded Funds.

## 7. Definitions (Exchange Traded Funds)

“**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.

“**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.

“**Exchange**” means, in relation to a Fund Share, the exchange or principal trading market for such ETF specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such ETF has temporarily relocated.

“**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.

“**Fund Share**” means an equity security of each ETF, and references to “holder of Fund Shares” and “Fund Shareholder” shall be construed accordingly.

“**Related Exchange**” means, in relation to a Fund Share, each exchange or principal trading market specified as such for such Fund Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such Fund Share has temporarily relocated (provided the Calculation Agent has determined that there is comparable liquidity relative to such Fund Shares on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however, that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, “**Related Exchange**” shall mean each exchange or principal trading market where trading has a material effect (as determined by the Calculation Agent) on the overall market for such Fund Shares.

“**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 any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

“**Underlying Index**” means the underlying index specified in the applicable Final Terms.

“**Valuation Cut-Off Date**” means the eighth Scheduled Trading Day immediately following the Scheduled Valuation Date or if earlier the Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such

Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

“**Valuation Date**” means each Valuation Date specified in the applicable Final Terms or if that is not a Scheduled Trading Day the first Scheduled Trading Day thereafter or, if earlier, the Valuation Cut-Off Date. If such day is a Disrupted Day, then:

- (a) where the Fund Linked Notes relate to a single Fund, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to and including the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a 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 Fund Linked Notes relate to a Basket of Funds, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Fund Share affected (each an “**Affected Fund Share**”) 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 Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Affected Fund Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Share (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Affected Fund Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the price for the Affected Fund Share 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 or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Fund Share 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.

## 8. **Market Disruption**

“**Market Disruption Event**” means, in respect of a Fund Share:

- (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
  - (x) of 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 relevant Fund Share on such Exchange; or (B) relating to securities that comprise 20 per cent. or more of the level of the relevant

Underlying Index or any relevant successor index; or (C) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange, or

(y) of 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 to (i) effect transactions in, or obtain market values for, the Fund Shares on the Exchange, (ii) effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of the relevant Underlying Index, or (iii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange; or

(b) the closure on any Exchange Business Day of any relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in respect of a Fund Share at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the relevant Underlying Index at that time, then the relevant percentage contribution of that security, to the level of the relevant Underlying Index shall be based on a comparison of (i) the portion of the level of the relevant Underlying Index attributable to that security, and the overall level of the relevant Underlying Index immediately before the occurrence of such Market Disruption Event.

The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Note Condition 13 occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

## **9. Potential Adjustment Event**

**“Potential Adjustment Event”** means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Fund Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalization or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (a) such Fund Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such Fund Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF 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;
- (iii) an extraordinary dividend as determined by the Calculation Agent;

- (iv) a call by the ETF in respect of relevant Fund Shares that are not fully paid;
- (v) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF 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
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

Following a Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the terms of the Terms and Conditions of the Notes and/or the applicable Final Terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and (b) determine the effective date(s) of that adjustment(s). The Calculation Agent may, but need not, determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Fund Shares traded on such options exchange.

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Noteholders in accordance with Note Condition 13, stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

**10. De-Listing, Insolvency, Material Underlying Event, Merger Date, Merger Event, Nationalization, Tender Offer**

“**De-Listing**” means, in respect of a Fund Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, such Fund Share ceases (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an ETF, (A) all the Fund Shares of that ETF are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Shares of that ETF become legally prohibited from transferring them.

“**Material Underlying Event**” means any of the following:

- (i) the investment objectives and/or policies in respect of the ETF are materially changed;



- (ii) an illegality occurs or a relevant authorization or license is revoked in respect of the ETF and/or the ETF is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares;
- (iii) there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any Fund 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) any other event occurs in relation to the ETF and/or the Fund 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.

“**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 Fund Shares, any (i) reclassification or change of such Fund Shares that results in a transfer of or an irrevocable commitment to transfer all of such Fund Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in any such reclassification or change of all such Fund Shares outstanding) or (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Fund Shares of the relevant ETF that results in a transfer of or an irrevocable commitment to transfer all such Fund Shares (other than such Fund Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such Fund Shares outstanding but results in the outstanding Fund Shares (other than Fund Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Shares immediately following such event (a “Reverse Merger”), in each case if the Merger Date is on or before the Valuation Date (or such other date as is specified in the applicable Final Terms).

“**Nationalization**” means that all the Fund Shares or all or substantially all the assets of an ETF are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant ETF, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Tender Offer Date**” means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

If a De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event occurs in relation to any Fund Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (iii) below:

- (i) require the Calculation Agent, in its sole and absolute discretion, to determine the appropriate adjustment(s), if any, to be made to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms to account for the De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event, as the case may be, and determine the effective date(s) of that adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the De-Listing, Merger Event, Tender Offer, Nationalization, Insolvency or Material Underlying Event made by any options exchange to options on the relevant Fund Share traded on that options exchange;
- (ii) give notice to the Noteholders in accordance with Note Condition 13, and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
- (iii) following such adjustment to the settlement terms of options on the Fund Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the “**Options Exchange**”), require the Calculation Agent to make a corresponding adjustment to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Fund Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Material Underlying Event, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such Option were so traded.

Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalization, Insolvency or Material Underlying Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Note Condition 13 stating the occurrence of the Merger Event, Tender Offer, Nationalization, De-listing, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalization or Insolvency, as the case may be.

## 11. **Additional Disruption Events**

- (a) “**Additional Disruption Event**” means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

“**Change in Law**” means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or an Announced Prospective Change, or (ii) 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 (A) it has become illegal to hold, acquire or dispose of any relevant Fund Share or (B) it will incur (or, in the case of an Announced Prospective Change and assuming that such Announced Prospective Change becomes effective as of the date specified in such announcement and in the form announced, would incur) a materially increased cost in performing its obligations in relation to the Fund

Linked 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).

“**Hedging Disruption**” means that the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to (i) 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, dividend risk and currency risk) of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Increased Cost of Hedging**” means that the Issuer and/or any of its Affiliates or agents 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) or cost of capital or capital to be set aside to (i) 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, dividend risk and currency risk) of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realize, 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 or agents shall not be deemed an Increased Cost of Hedging.

- (b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
  - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of the Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) give notice to Noteholders in accordance with Note Condition 13 and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.
- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Note Condition 13 stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

**ANNEX 6**  
**ADDITIONAL TERMS AND CONDITIONS FOR PHYSICAL DELIVERY NOTES**

**1. Interpretation**

The following provisions (the “**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.

References in the 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 Bearer Global Note or Registered Note represented by a global certificate held on behalf of Euroclear and Clearstream, Luxembourg (a “**Global Certificate**”), the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Fiscal Agent or the Registrar, as the case may be, 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 substantially in the form set out in the Agency Agreement (the “**Asset Transfer Notice**”); and
- (ii) if such Note is in definitive form or a Registered Note not represented by a Global Certificate, the relevant Noteholder must deliver to any Paying Agent or the Registrar, as the case may be, in each case with a copy to the Fiscal Agent (in the case of a Bearer Note) 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 may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent, as applicable.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Bearer Global Note or Global Certificate, 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 or is a Registered Note not represented by a Global Certificate, in writing. If such Note is in definitive form or is a Registered Note not represented by a Global Certificate, such Note must be delivered together with the duly completed Asset Transfer Notice.

The Issuer shall at the risk of the relevant Noteholder 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 Noteholder 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 Noteholder.

An Asset Transfer Notice must:

- (i) specify the name, address and contact telephone number of the relevant Noteholder 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 Bearer Global Note or Global Certificate, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder'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 Noteholder'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 Bearer Global Note or Global Certificate, an authority to debit a specified account of the Noteholder 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 Noteholder'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 United States person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or on behalf of a United States 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 United States 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, the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Bearer Global Note or Global Certificate, upon receipt of such notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Noteholder 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 Fiscal Agent or Registrar, as the case may be, the series number and number of Notes which are 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 Fiscal 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 Noteholder 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 Bearer Global Note or Global Certificate, by Euroclear or Clearstream, Luxembourg, as the case may be, after consultation with the Fiscal Agent and the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder or in the case of Notes in definitive form, by the relevant Paying Agent or the Registrar, as the case may be after consultation with the Fiscal Agent and the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, (i) in the case of Notes represented by a Bearer Global Note or Global Certificate, Euroclear or Clearstream, Luxembourg, as the case may be, or the relevant Paying Agent, or (ii) in the case of Notes in definitive form or Registered Notes not represented by a Global Certificate, by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Fiscal Agent (in the case of Bearer Notes) and 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, Clearstream, Luxembourg or the relevant Paying Agent or the Registrar, as the case may be, shall use its best efforts promptly to notify the Noteholder submitting an Asset Transfer Notice if, in consultation with the Fiscal Agent (in the case of Bearer Notes) and the Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or willful misconduct on its part, none of the Issuer, the Paying Agents, the Registrar, Euroclear, Clearstream, Luxembourg or the Fiscal Agent 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 Noteholder.

The Entitlement will be delivered at the risk of the relevant Noteholder, 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, the Registrar or a Paying Agent, as the case may be, with a copy to the Fiscal Agent (in the case of Bearer Notes) 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, the Registrar or a Paying Agent, as the case may be, with a copy to the Fiscal Agent (in the case of Bearer Notes) 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 Noteholder in the manner provided above. Provided that if in respect of a Note an Asset Transfer Notice is not delivered to Euroclear, Clearstream, Luxembourg, the Registrar or a Paying Agent, as the case may be, with a copy to the Fiscal Agent (in the case of Bearer Notes) 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 Noteholder 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, the Registrar 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 Noteholder shall continue to be the legal owner of the securities, obligations or Deliverable Obligations comprising the Entitlement (the “**Intervening Period**”), neither the Issuer nor any other such person shall (i) be under any obligation to deliver or procure delivery to the relevant Noteholder 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 Noteholder, or any subsequent beneficial owner of such Note in respect of any loss or damage which the relevant Noteholder, 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 share 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 Noteholder 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 Noteholders will receive an Entitlement comprising the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Noteholder’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).

### **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 Noteholder, in accordance with Note Condition 13. Such Noteholder 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 Noteholder 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 Noteholders 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 Noteholder 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 Noteholders 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 Noteholders 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 in its sole and unfettered discretion in respect of each such Note, elect not to pay the relevant Noteholders the Final Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Noteholders, 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 Noteholders, as the case may be. Notification of such election will be given to Noteholders in accordance with Condition 13.

#### **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 2 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 9 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 4 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.

“**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.

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