

NatWest Markets Plc
U.S.\$80,00,000 Floating Rate Notes Due 18 June 2024 (the "Notes")

Under the
U.S.\$ 7,000,000,000 Structured Notes Programme

Issue Price: 100 per cent. of the Aggregate Nominal Amount

Issue Date: 18 June 2019

This information package includes the Programme Document dated 22 February 2019 (as may be supplemented from time to time) in relation to NatWest Markets Plc U.S.\$ 7,000,000,000 Structured Notes Programme including all documents incorporated by reference therein (the "**Programme Document**") as supplemented by the pricing supplement for the Notes dated 6 June 2019 (the "**Pricing Supplement**", together with the Programme Document, the "**Information Package**").

The Notes will be issued by NatWest Markets Plc (the "**Issuer**").

Application will be made by the Issuer for the Notes (i) to be listed on the Taipei Exchange (the "**TPEX**") in the Republic of China (the "**ROC**") and (ii) to be listed on the Official List of Euronext Dublin and to admitted to trading on Euronext Dublin's Global Exchange Market.

Effective date of listing and trading of the Notes is on or about 18 June 2019.

TPEX is not responsible for the content of the Information Package and no representation is made by TPEX to the accuracy or completeness of the Information Package. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Information Package. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes.

The Notes have not been, and shall not be, offered or sold, directly or indirectly, in the ROC, to investors other than "professional institutional investors" as defined under Item 1, Paragraph 1, Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds ("**Professional Institutional Investors**"). Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a Professional Institutional Investor.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law. The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**") and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person as defined in Regulation S).

Lead Manager

KGI SECURITIES CO. LTD.

Managers

CTBC BANK CO., LTD.

E.SUN COMMERCIAL BANK, LTD.

YUANTA SECURITIES CO., LTD.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of **MiFID II**; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

Pricing Supplement dated 6 June 2019

NatWest Markets Plc
*(Incorporated in Scotland with limited liability under the
Companies Acts 1948 to 1980, registered number SC090312)*

USD 80,000,000 Floating Rate Notes due 18 June 2024

Issue Price: 100 per cent. of the Aggregate Nominal Amount

**U.S.\$7,000,000,000
Structured Note Programme**

The Programme Document referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented Directive (2003/71/EC (as amended or superseded, the **Prospectus Directive**) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Prospective investors are notified that neither the Issuer nor any Dealer is required under the Prospectus Directive to prepare or publish a prospectus in respect of the Notes in accordance with the Prospectus Directive.

The distribution of this document and the offer of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Pricing Supplement come are required by the Issuer to inform themselves about and to observe any such restrictions. Details of selling restrictions for various jurisdictions are set out in "Subscription and Sale" in the Programme Document. In particular, the Notes have not been, and will not be, registered under the US Securities Act of 1933, as amended, and are subject to US tax law requirements. Trading in the Notes has not been approved by the US Commodity Futures Trading Commission under the US Commodity Exchange Act of 1936, as amended. Subject to certain exceptions, the Notes may not at any time be offered, sold or delivered in the United States or to US persons, nor may any US persons at any time trade or maintain a position in such Notes. See "Subscription and Sale" in the Programme Document.

PART A – CONTRACTUAL TERMS

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 Programme Document dated 22 February 2019 as supplemented at the date hereof. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Programme Document as supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Programme Document. The Programme Document is available for viewing at 250 Bishopsgate, London, EC2M 4AA.

1. Issuer: NatWest Markets Plc (formerly known as The Royal Bank of Scotland plc).
2. (i) Series Number: Not Applicable
(ii) Tranche Number: 1
3. Specified Currency or Currencies: United States Dollars (“USD”)
4. Aggregate Nominal Amount:
(i) Series: USD 80,000,000
(ii) Tranche: USD 80,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations: USD 250,000
(ii) Calculation Amount: USD 250,000
7. (i) Issue Date: 18 June 2019
(ii) Interest Commencement Date: Not Applicable
8. Maturity Date: 18 June 2024, subject to the Modified Following Business Day Convention
9. Interest/Payment Basis: USD 3 month LIBOR +1.53 % Floating Rate
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Redemption/Payment Basis: or Not Applicable

12. Put/Call Options: Not Applicable
13. Status of the Notes: Senior
14. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: Not Applicable
16. Floating Rate Note Provisions: Applicable

- (i) Specified Period(s) / Specified Periods are quarterly from and including the Issue Specified Interest Payment Date to but excluding the Maturity Date Dates:

Specified Interest Payment Dates are 18 March, 18 June, 18 September and 18 December in each year commencing and including the First Interest Payment Date to and including the Maturity Date.

- (ii) First Interest Payment Date 18 September 2019

- (iii) Business Day Convention Modified Following Business Day Convention (Adjusted)

- (iv) Additional Business Centre: Taipei, London and New York

- (v) Manner in which the Rate of Interest is/are to be determined: Screen Rate Determination

- (vi) Party responsible for calculating the Interest Amount(s) (if not the Calculation Agent or, as the case may be, the Registrar): Not Applicable

- (vii) Screen Rate Determination Applicable

- Reference Rate: USD 3 month LIBOR

- Interest Determination Date: Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period

- Relevant Screen Page: Reuters page: LIBOR01

- | | | |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| (viii) | ISDA Determination | Not Applicable |
| (ix) | Margin(s): | +1.53 per cent. |
| (x) | Minimum Rate of Interest: | Not Applicable |
| (xi) | Maximum Rate of Interest: | Not Applicable |
| (xii) | Day Count Fraction: | Actual/360 |
| (xiii) | 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: | Not Applicable |

17. Zero Coupon Note Provisions Not Applicable

18. Index Linked Interest Note Provisions Not Applicable

19. Equity Linked Interest Note Provisions Not Applicable

20. Commodity Linked Interest Note Provisions Not Applicable

21. Currency Linked Interest Note Provisions Not Applicable

22. Government Bond Linked Interest Note Provisions Not Applicable

23. Fund Linked Interest Note Provisions Not Applicable

24. Inflation Index Linked Interest Note Provisions Not Applicable

25. Certificate Linked Interest Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

26. Call Option Not Applicable

27. Put Option Not Applicable
28. Final Redemption Amount USD 250,000 per Calculation Amount
29. Early Redemption Amount

(i) Early Redemption Amount(s) payable on redemption following (a) the occurrence of an event of default or (b) illegality or (c) taxation or (d) in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 7(b)(ii)(b) or (e) in the case of Equity Linked Notes, following certain corporate events in accordance with Condition 8(b)(ii)(B) or (f) in the case of Credit Linked Notes, following a Merger Event (if applicable) or a Constraint Event (if Condition 10(w)(1)(ii) applies; see paragraph 32(li)(b) below), and/or the method of calculating the same (if required or if different from that set out in Condition 5(d)) or (g) in the case of Commodity Linked Notes, following a Market Disruption Event in accordance with Condition 11(b)(i) or (h) in the case of Government Bond Linked Notes, following a Market Disruption Event in accordance with Condition 12(b)(i) or (i) in the case of Fund Linked Notes, following the occurrence of a Trigger Event, a Potential Trigger Event, an Insolvency or a Merger Event in accordance with Condition 13(b)(i) or (j) in the case of Inflation Index Linked Notes, following modification, alteration or discontinuance of the relevant Inflation Index in accordance with Condition 14(b)(i) or (k) in the case of Certificate Linked Notes, following a Market Disruption Event in accordance with Condition 15(b)(i) or (l) following an

Additional Disruption Event
(if applicable) in accordance
with Condition 16(b)(ii):

(ii) Early Redemption Amount Not Applicable
includes amount in respect
of accrued interest:

30. Index Linked Redemption Notes: Not Applicable

31. Equity Linked Redemption Notes: Not Applicable

32. Credit Linked Notes: Not Applicable

33. Currency Linked Redemption Notes: Not Applicable

34. Commodity Linked Redemption Notes Not Applicable

35. Government Bond Linked Redemption Notes: Not Applicable

36. Fund Linked Redemption Notes: Not Applicable

37. Inflation Index Linked Redemption Notes: Not Applicable

38. Certificate Linked Redemption Notes: Not Applicable

39. Additional Disruption Events: Not Applicable

40. Benchmark Event Redemption: Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

41. New Global Note: Yes

42. Form of Notes: Global Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Bearer Notes on at least 60 days' notice in the limited circumstances specified in the Permanent Global Note.

43. Additional Business Centre(s): Not Applicable

44. Financial Centre(s): Taipei, London and New York

45. Talons for future Coupons or No Receipts to be attached to definitive

Bearer Notes (and dates on which such Talons mature):

46. Details relating to Partly Paid Notes: Not Applicable
47. Details relating to Instalment Notes: Not Applicable
Instalment Amounts, Instalment Dates:
48. Redenomination, renominatisation and reconventioning provisions: Not Applicable
49. Consolidation provisions: Not Applicable
50. Notices to the Issuer: Not Applicable
51. Issuer Business Centre: London
52. Additional U.S. federal income tax considerations: Not applicable
53. Other terms: Not Applicable

DISTRIBUTION

54. (i) If syndicated, names of Managers: KGI Securities Co. Ltd.
CTBC Bank Co., Ltd.
E.SUN Commercial Bank, Ltd.
Yuanta Securities Co., Ltd.
- (ii) Date of Subscription agreement: 5 June 2019
- (iii) Stabilising Manager(s) (if any): Not Applicable
55. If non-syndicated, name of Dealer: N/A
56. Total commission and concession: 0.10% plus USD 10,000 in respect of the Lead Manager as liquidity provider
57. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
58. Additional selling restrictions: ROC (Taiwan) - The Notes can only be offered and sold to professional institutional investors under Item 1, Paragraph 1, Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds ("TPEX Rules"). Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a professional institutional investor.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: 
.....
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: Application will be made by the Issuer for the Notes (i) to be listed on the Taipei Exchange (the "TPEX") in the Republic of China (the "ROC") and (ii) to be listed on the Official List of Euronext Dublin and to be admitted to trading on Euronext Dublin's Global Exchange Market.
- (ii) Estimate of total expenses related to admission to trading: NT\$199,818 in respect of the TPEX; and EUR 1,000 in respect of Euronext Dublin

2. RATINGS

Ratings: The Notes to be issued are rated A- by S&P Global Ratings Europe Limited

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

"Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

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

- (i) Reasons for the offer: See "Use of Proceeds" wording in Programme Document
- (ii) Estimated net proceeds: USD79,910,000
- (iii) Estimated total expenses: NT\$199,818 in respect of the TPEX; and EUR 1,000 in respect of Euronext Dublin

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: Not Applicable

6. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic LIBOR rates can be obtained from Reuters Page LIBOR01

7. PERFORMANCE OF REFERENCE ITEM(S)/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ITEM(S)

Not applicable

8. OPERATIONAL INFORMATION

- | | | |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| (i) | ISIN Code: | XS2010113459 |
| (ii) | Common Code: | 201011345 |
| (iii) | FISN: | Not Applicable |
| (iv) | CFI Code: | Not Applicable |
| (v) | CMU Code: | Not Applicable |
| (vi) | Clearing System: | Euroclear Bank SA/NV and Clearstream Banking, S.A. |
| (vii) | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the Central Moneymarkets Unit (together with their addresses) and the relevant identification number(s): | Not Applicable |
| (viii) | Delivery: | Delivery free of payment |
| (ix) | Additional Paying Agent(s) (if any): | Not Applicable |
| (x) | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes |
| (xi) | Prohibition of Sales to EEA Retail Investors: | Applicable |

**SUPPLEMENT DATED 21 MAY 2019
TO THE PROGRAMME DOCUMENT DATED 22 FEBRUARY 2019 RELATING TO THE
STRUCTURED NOTE PROGRAMME**



NatWest
Markets

NatWest Markets Plc

(incorporated under the laws of Scotland with limited liability under the Companies Act 1948 to 1980, registered number SC090312)

U.S.\$7,000,000,000 Structured Note Programme

This supplement (this "**Supplement**") to the Programme Document dated 22 February 2019 (as supplemented, the "**Programme Document**") comprises a supplementary listing particulars for the purposes of the Listing Rules of the Global Exchange Market and has been approved by The Irish Stock Exchange plc (trading as Euronext Dublin). Terms defined in the Programme Document have the same meanings when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Programme Document and any previous supplements to it, issued by NatWest Markets Plc (the "**Issuer**").

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

Purpose of this Supplement

The purpose of this Supplement is to:

- (a) incorporate by reference into the Programme Document:
 - (i) the FX Trading Settlement Announcement (as defined below);
 - (ii) the S&P Ratings Announcement (as defined below); and
 - (iii) the 2nd Supplementary Registration Document (as defined below); and
- (b) update certain information relating to legal proceedings.

Incorporation of Information by Reference

By virtue of this Supplement:

- (a) the announcement entitled "Acknowledgement of European Commission's announcement regarding two settlements on FX trading" (the "**FX Trading Settlement**

Announcement"), which was published via the regulatory news service of the London Stock Exchange plc on 16 May 2019;

- (b) the announcement entitled "RBS Group welcomes credit ratings by S&P" (the "**S&P Ratings Announcement**"), which was published via the regulatory news service of the London Stock Exchange plc on 16 May 2019; and
- (c) the Issuer's second supplementary registration document dated 17 May 2019 (the "**2nd Supplementary Registration Document**"), which was published via the regulatory news service of the London Stock Exchange plc on 17 May 2019,

shall be incorporated in, and form part of, the Programme Document.

A copy of any or all of the information which is incorporated by reference in the Programme Document can be obtained from the website of the Issuer at <https://investors.rbs.com/regulatory-news/company-announcements.aspx>.

If a document which is incorporated by reference in the Programme Document by virtue of this Supplement itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Programme Document except where such information or other documents are specifically incorporated by reference in, or attached to, the Programme Document by virtue of this Supplement.

Updating the legal proceedings disclosure set out in the Programme Document

Legal Proceedings

Other than as referred to in (i) the FX Trading Settlement Announcement; (ii) the Supplementary Registration Document; and (iii) in the section entitled "*Legal and Arbitration Proceedings*" at pages 88 to 94 of the Registration Document, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have or have had during the 12 months preceding the date of this Supplement, a significant effect on the financial position or profitability of the Issuer and/or the Group.

Other Information

To the extent that there is any inconsistency between any statement in or incorporated by reference in the Programme Document by virtue of this Supplement and any other statement in or incorporated by reference in the Programme Document, the statements in or incorporated by reference in the Programme Document by virtue of this Supplement will prevail.

Save as disclosed in this Supplement, there has been: (1) no significant change affecting any matter contained in the Programme Document (as supplemented at the date hereof) since the publication of the Programme Document; or (2) no significant new matter which has arisen, the inclusion of information in respect of which would have been so required had it arisen at the time the Programme Document was prepared.

**SUPPLEMENT DATED 8 MAY 2019
TO THE PROGRAMME DOCUMENT DATED 22 FEBRUARY 2019 RELATING TO THE
STRUCTURED NOTE PROGRAMME**



NatWest Markets Plc

(incorporated under the laws of Scotland with limited liability under the Companies Act 1948 to 1980, registered number SC090312)

U.S.\$7,000,000,000 Structured Note Programme

This supplement (this "**Supplement**") to the Programme Document dated 22 February 2019 (the "**Programme Document**") comprises a supplementary listing particulars for the purposes of the Listing Rules of the Global Exchange Market and has been approved by The Irish Stock Exchange plc (trading as Euronext Dublin). Terms defined in the Programme Document have the same meanings when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Programme Document and any previous supplements to it, issued by NatWest Markets Plc (the "**Issuer**").

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

Purpose of this Supplement

The purpose of this Supplement is to incorporate by reference into the Programme Document the Supplementary Registration Document (as defined below).

Incorporation of Information by Reference

By virtue of this Supplement the Issuer's supplementary registration document dated 3 May 2019 (the "**Supplementary Registration Document**"), which was published via the regulatory news service of the London Stock Exchange plc on 3 May 2019, shall be incorporated in, and form part of, the Programme Document.

A copy of any or all of the information which is incorporated by reference in the Programme Document can be obtained from the website of the Issuer at <https://investors.rbs.com/regulatory-news/company-announcements.aspx>.

If a document which is incorporated by reference in the Programme Document by virtue of this Supplement itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Programme Document

except where such information or other documents are specifically incorporated by reference in, or attached to, the Programme Document by virtue of this Supplement.

Other Information

To the extent that there is any inconsistency between any statement in or incorporated by reference in the Programme Document by virtue of this Supplement and any other statement in or incorporated by reference in the Programme Document, the statements in or incorporated by reference in the Programme Document by virtue of this Supplement will prevail.

Save as disclosed in this Supplement, there has been: (1) no significant change affecting any matter contained in the Programme Document (as supplemented at the date hereof) since the publication of the Programme Document; or (2) no significant new matter which has arisen, the inclusion of information in respect of which would have been so required had it arisen at the time the Programme Document was prepared.

**SUPPLEMENT DATED 15 APRIL 2019
TO THE PROGRAMME DOCUMENT DATED 22 FEBRUARY 2019 RELATING TO THE
STRUCTURED NOTE PROGRAMME**



NatWest Markets Plc

(incorporated under the laws of Scotland with limited liability under the Companies Act 1948 to 1980, registered number SC090312)

U.S.\$7,000,000,000 Structured Note Programme

This supplement (this "**Supplement**") to the Programme Document dated 22 February 2019 (the "**Programme Document**") comprises a supplementary listing particulars for the purposes of the Listing Rules of the Global Exchange Market and has been approved by The Irish Stock Exchange plc (trading as Euronext Dublin). Terms defined in the Programme Document have the same meanings when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Programme Document and any previous supplements to it, issued by NatWest Markets Plc (the "**Issuer**").

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

Purpose of this Supplement

The purpose of this Supplement is to:

- (a) incorporate by reference into the Programme Document the Registration Document (as defined below);
- (b) update the forward-looking statements information set out in the Programme Document;
- (c) update the risk factors set out in the Programme Document;
- (d) update the description of the Issuer set out in the Programme Document; and
- (e) update certain information in relation to litigation and investigations.

Incorporation of Information by Reference

By virtue of this Supplement the Issuer's registration document dated 22 March 2019 (the "**Registration Document**"), which was published via the regulatory news service of the London Stock Exchange plc on 22 March 2019, shall be incorporated in, and form part of, the Programme Document.

A copy of any or all of the information which is incorporated by reference in the Programme Document can be obtained from the website of the Issuer at <https://investors.rbs.com/regulatory-news/company-announcements.aspx>.

If a document which is incorporated by reference in the Programme Document by virtue of this Supplement itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Programme Document except where such information or other documents are specifically incorporated by reference in, or attached to, the Programme Document by virtue of this Supplement.

Updating the forward-looking statements information set out in the Programme Document

The reference to the "2018 Annual Report and Accounts of NatWest Markets" in the paragraph titled "Forward-looking statements" on page 9 of the Programme Document shall be deleted and replaced with a reference to the "Registration Document".

Updating the risk factors set out in the Programme Document

The section entitled "*Risk Factors relating to the Issuer*" set out on page 19 of the Programme Document shall be deleted and replaced with the following:

"RISK FACTORS RELATING TO THE ISSUER

Prospective investors should consider the section entitled "*Risk Factors*" at pages 13 to 31 in the Registration Document as referred to in, and incorporated by reference into, this Programme Document."

Updating the description of the Issuer set out in the Programme Document

The section entitled "*Description of the Issuer*" set out on pages 354 to 357 of the Programme Document shall be deleted and replaced with the following:

"DESCRIPTION OF THE ISSUER

Prospective investors should consider the sections entitled "*Description of the Group*" and "*Management and Shareholdings*" at pages 79 to 96 and 175 to 180, respectively, in the Registration Document as referred to in, and incorporated by reference into, this Programme Document."

Litigation and Investigations

Other than as referred to in the section entitled "*Legal and Arbitration Proceedings*" at pages 88 to 94 of the Registration Document, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have or have had during the 12 months preceding the date of this Supplement, a significant effect on the financial position or profitability of NatWest Markets and/or the NWM Group.

Other Information

To the extent that there is any inconsistency between any statement in or incorporated by reference in the Programme Document by virtue of this Supplement and any other statement in or incorporated by reference in the Programme Document, the statements in or incorporated by reference in the Programme Document by virtue of this Supplement will prevail.

Save as disclosed in this Supplement, there has been: (1) no significant change affecting any matter contained in the Programme Document (as supplemented at the date hereof) since the publication of the Programme Document; or (2) no significant new matter which has arisen, the inclusion of information in respect of which would have been so required had it arisen at the time the Programme Document was prepared.

SUPPLEMENT DATED 8 MARCH 2019 TO THE PROGRAMME DOCUMENT DATED 22 FEBRUARY 2019 RELATING TO THE STRUCTURED NOTE PROGRAMME



NatWest Markets Plc

(incorporated under the laws of Scotland with limited liability under the Companies Act 1948 to 1980, registered number SC090312)

U.S.\$7,000,000,000 Structured Note Programme

This supplement (this "**Supplement**") to the Programme Document dated 22 February 2019 (the "**Programme Document**") comprises a supplementary listing particulars for the purposes of the Listing Rules of the Global Exchange Market and has been approved by The Irish Stock Exchange plc (trading as Euronext Dublin). Terms defined in the Programme Document have the same meanings when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Programme Document and any previous supplements to it, issued by NatWest Markets Plc (the "**Issuer**" or "**NWM**"), a subsidiary of The Royal Bank of Scotland Group plc.

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

Purpose of this Supplement

The purpose of this Supplement is to:

- (a) incorporate by reference into the Programme Document the February 2019 NatWest Markets Transfer Scheme Announcement (as defined below); and
- (b) update certain information relating to credit ratings.

Incorporation of Information by Reference

By virtue of this Supplement the announcement entitled "The Royal Bank of Scotland Group plc – update on NatWest Markets transfer scheme" (the "**February 2019 NatWest Markets Transfer Scheme Announcement**"), which was published via the regulatory news service of the London Stock Exchange plc on 22 February 2019, shall be incorporated in, and form part of, the Programme Document.

A copy of any or all of the information which is incorporated by reference in the Programme Document can be obtained from the website of the Issuer at <https://investors.rbs.com/regulatory-news/company-announcements.aspx>.

If a document which is incorporated by reference in the Programme Document by virtue of this Supplement itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Programme Document except where such information or other documents are specifically incorporated by reference in, or attached to, the Programme Document by virtue of this Supplement.

Updating the credit ratings information set out in the Base Prospectuses

In light of Japan Credit Rating Agency, Ltd. rating the long-term senior obligations of the Issuer, certain sections of the Programme Document shall be updated as follows:

- (a) the second paragraph on page 2 of the Programme Document shall be updated by the addition of the following sentence:

"As at the date of this Supplement, the long-term senior obligations of the Issuer are rated "A" by Japan Credit Rating Agency, Ltd. ("JCR"); and

- (b) the third paragraph on page 2 of the Programme Document shall be updated by the addition of the following sentence:

"JCR is not established in the EEA but is certified under the CRA Regulation.";

- (c) the section entitled "Form of Pricing Supplement" on pages 54 to 125 of the Programme Document shall be supplemented by including the following text on page 120, at the end of item 2 "Ratings":

"[Japan Credit Rating Agency, Ltd.: [•]]";

Other Information

To the extent that there is any inconsistency between any statement in or incorporated by reference in the Programme Document by virtue of this Supplement and any other statement in or incorporated by reference in the Programme Document, the statements in or incorporated by reference in the Programme Document by virtue of this Supplement will prevail.

Save as disclosed in this Supplement, there has been: (1) no significant change affecting any matter contained in the Programme Document (as supplemented at the date hereof) since the publication of the Programme Document; or (2) no significant new matter which has arisen, the inclusion of information in respect of which would have been so required had it arisen at the time the Programme Document was prepared.



NatWest Markets Plc

(Incorporated in Scotland with limited liability under the Companies Acts 1948 to 1980, registered number SC090312)

U.S.\$7,000,000,000

Structured Note Programme

Under the U.S.\$7,000,000,000 Structured Note Programme (the **Programme**), NatWest Markets Plc (the **Issuer** or **NatWest Markets**) may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the **Notes**) denominated in any currency determined by the Issuer. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$7,000,000,000 (or its equivalent in other currencies, subject to increase). This programme document (this **Programme Document**) supersedes and replaces in its entirety the programme document dated 5 March 2018. Save as provided in the applicable Pricing Supplement (as defined below), any Notes issued under the Programme on or after the date of this Programme Document are issued subject to the provisions herein. This does not affect any Notes issued prior to the date of this Programme Document.

The Notes may be issued on a continuing basis to the Dealer specified below and/or any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a **Dealer** and together the **Dealers**).

Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the Programme Document to be approved as listing particulars. Application has been made to Euronext Dublin for Notes issued under the Programme for the period of 12 months from the date of this Programme Document to be admitted to listing on its official list (the **Official List**) and trading on its Global Exchange Market. References in this Programme Document to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Global Exchange Market and have been admitted to the Official List. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**). However, Notes may be issued pursuant to the Programme which will not be listed on Euronext Dublin or any other stock exchange. This Programme Document constitutes a base listing particulars for the purpose of listing on the Official List and trading on the Global Exchange Market of Euronext Dublin. Notes may be issued in the form of a Pricing Supplement or, where additional information is required by the listing rules of the Global Exchange Market of Euronext Dublin, by means of a drawdown listing particulars.

Notice of the aggregate nominal 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 issue of Notes will be set forth in a pricing supplement (**Pricing Supplement**) which, with respect to Notes to be listed on Euronext Dublin, will be delivered to Euronext Dublin.

The Notes may be in bearer form (**Bearer Notes**) or in registered form (**Registered Notes**).

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

Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. 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. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer, the Trustee (as defined herein) or any Dealer in that regard. See Risk Factors on page 19.

In the event that the Issuer determines in good faith that (i) either the performance of its obligations under a Series (as defined below) of Notes or that any arrangements made to hedge its position under such Notes has or will become unlawful, illegal, or otherwise prohibited in whole or in part under any applicable present or future law, rule, regulation, judgment, order or directive or (ii) the performance of its obligations under a Series of Notes or that any arrangements made to hedge its position under such Notes has resulted or will result in the Issuer or any affiliate not being entitled to tax relief in respect of any losses, costs or expenses incurred in connection therewith, the Issuer may, having given notice to Noteholders (which notice shall be irrevocable), redeem all, but not some only, of the Notes of such Series, each Note being redeemed at the Early Redemption Amount, all as further provided in Condition 5(j) (**Illegality**), Condition 5(k) (**Taxation**) and Condition 5(l) (**US Withholding Tax on Dividend Equivalent Payments**) as the case may be.

The Issuer may issue Credit Linked Notes under the Programme where payments or other obligations of the Issuer under the Notes are linked to the credit of a specified entity or entities. Following the occurrence of certain events (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention, as each term is defined in Condition 10 (**Credit Linked Notes**)) in relation to such specified entity(ies) and the satisfaction of other conditions, the Issuer's obligations under the Notes may be replaced by an

obligation to pay other amounts calculated by reference to the price (as determined herein) of certain obligations relating to such specified entity(ies) or to deliver such obligations. Payments of principal and interest or any deliveries in respect of any Series of Credit Linked Notes may be restricted upon the occurrence of any Constraint Event (as defined in Condition 10 (*Credit Linked Notes*) described in the applicable Pricing Supplement. Such event may relate to the imposition of currency or exchange controls in any specified country or to a nationalisation, a hedging disruption, a credit rating downgrade in relation to a specified obligation or any other circumstance as provided in the applicable Pricing Supplement. The Conditions of any Series of Credit Linked Notes may provide that, in any such event, the Issuer shall be entitled to require the Calculation Agent to adjust the Credit Linked Notes or to early redeem the Credit Linked Notes or to postpone payments or deliveries in respect of the Credit Linked Notes so long as the Constraint Event continues provided that if the Constraint Event continues for a period of two years the Credit Linked Notes shall expire worthless and be cancelled. In such event, Noteholders shall have no further recourse against the Issuer in respect of such Credit Linked Notes.

As at the date of this Programme Document: (i) long-term senior obligations of NatWest Markets are rated “BBB+” by S&P Global Ratings Europe Limited (**S&P**), “Baa2” by Moody’s Investors Service Ltd. (**Moody’s**) and “A” by Fitch Ratings Ltd. (**Fitch**); and (ii) short-term obligations of NatWest Markets are rated “A-2” by S&P, “P-2” by Moody’s and “F1” by Fitch. Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Issuer. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The credit ratings included and referred to in this Programme Document (including documents incorporated by reference herein) have been issued by S&P, Moody’s and Fitch, each of which is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

The Issuer may issue Notes in a form not contemplated by the Conditions herein, in which event (in the case of Notes intended to be listed on Euronext Dublin) a supplementary listing particulars, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Issuer may issue Notes which are clearable through clearing systems other than or in addition to Euroclear Bank SA/NV (**Euroclear**), Clearstream Banking S.A. (**Clearstream, Luxembourg**) and the Central Moneymarkets Unit Service (**CMU Service**) including, but not limited to, the dematerialised and uncertificated securities trading system operated by Euroclear UK and Ireland Limited (**CREST**). The relevant provisions will be set out in the applicable Pricing Supplement.

Arranger

NatWest Markets

Dealer

NatWest Markets

22 February 2019

The Issuer accepts responsibility for the information contained in this Programme Document. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Programme Document is in accordance with the facts and does not omit anything likely to affect the import of such information. This Programme Document may only be used for the purposes for which it has been published.

The applicable Pricing Supplement will (if applicable) specify the nature of the responsibility taken by the Issuer for the information relating to any underlying equity security, index, debt security, currency, commodity, government bond (or related futures contract), fund, inflation index, certificate or other item(s) (each a Reference Item) to which the relevant Notes relate and which is contained in such Pricing Supplement. However, unless otherwise expressly stated in the Pricing Supplement, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item. The Issuer accepts responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) and, so far as the Issuer is aware and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Reference Item, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Potential purchasers who are in any doubt as to their tax position may consider consulting their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

The distribution of this Programme Document and the offer or sale of the Notes in certain jurisdictions may be restricted by law. This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offering or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Programme Document in any jurisdiction where action is required. Persons into whose possession this Programme Document comes are required by the Issuer to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Bearer Notes are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to US persons. Details of selling restrictions for various jurisdictions are set out in the section headed "Subscription and Sale".

The Notes of each Series to be issued in bearer form (Bearer Notes) will be represented on issue by a temporary global note in bearer form (each, a Temporary Global Note), and will

be sold in an “offshore transaction” within the meaning of Regulation S (Regulation S) under the Securities Act. Interests in Temporary Global Notes generally will be exchangeable for interests in permanent global notes (each, a Permanent Global Note and, together with the Temporary Global Notes, the Global Notes), or if so stated in the relevant Pricing Supplement, definitive Bearer Notes (Definitive Bearer Notes), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche upon certification as to non-US beneficial ownership. Interests in Permanent Global Notes will be exchangeable for Definitive Bearer Notes in whole but not in part as described under “Form of Notes”.

The Notes of each Series to be issued in registered form (Registered Notes) and which are sold in an “offshore transaction” within the meaning of Regulation S, will initially be represented by a permanent registered global certificate (each, a Global Certificate) without interest coupons, which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream, Luxembourg or the CMU Service (as the case may be), with a common depository on behalf of Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU Service and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg or the CMU Service, or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer. The Notes of any Series may also be issued in the form of definitive registered certificates. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in “Form of Notes”.

This Programme Document is to be read in conjunction with all documents which are incorporated herein by reference (see Documents Incorporated by Reference on page 44). This Programme Document shall be read and construed on the basis that such documents are so incorporated and form part of this Programme Document.

Each Dealer in relation to any issue of Notes and all other relevant terms relating to the offer of such Notes will be set forth in the applicable Pricing Supplement.

To the fullest extent permitted by law, neither the Dealer(s) nor the Trustee accept any responsibility for the contents of this Programme Document or for any other statement, made or purported to be made by a Dealer or the Trustee or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Dealer and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Programme Document or any such statement.

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Programme Document in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the relevant Dealer.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or which is inconsistent with this Programme Document or

any financial statements or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any Dealer or the Trustee.

Neither this Programme Document nor any financial statements or any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, any Dealer or the Trustee that any recipient of this Programme Document or any financial statements or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and of the suitability of the relevant Notes as an investment in the light of its own circumstances and financial condition and after due consideration of an investment linked to any Reference Item(s). Neither this Programme Document nor any document incorporated by reference in this Programme Document constitutes an offer or invitation by or on behalf of the Issuer, any Dealer or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Programme Document nor the offering, sale or delivery of any Notes shall at any time imply that the information contained in this Programme Document concerning the Issuer is correct at any time subsequent to the date of this Programme Document or that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. Any Dealer and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or any of its subsidiaries during the life of the Programme. Investors should review, inter alia, the most recently published annual report and accounts of the Issuer when deciding whether or not to purchase any Notes.

The Issuer, any Dealer and the Trustee do not represent that this Programme Document may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any 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 Pricing Supplement, no action has been taken by the Issuer, any Dealer or the Trustee which is intended to permit a public offering of any Notes or distribution of this Programme Document in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Programme Document nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

The distribution of this Programme Document and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Document or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme

Document and/or the offer or sale of Notes in the United States of America, the European Economic Area (including the United Kingdom and France), Japan, Hong Kong, The People's Republic of China, The Republic of China, and Singapore (see Subscription and Sale on page 361).

All references in this Programme Document to: (i) "euro" refer to the single currency of participating member states which was introduced on 1 January 1999 at the commencement of the third stage of European Economic and Monetary Union pursuant to the Treaty on European Union, as amended, (ii) "CNY" or "Renminbi" refer to the lawful currency of the PRC, (iii) "Yen" and Japanese Yen refer to the lawful currency of Japan, (iv) "Sterling", "£" and "pounds" refer to the lawful currency of the United Kingdom and (v) "U.S.\$" and "U.S. dollars" refer to the lawful currency of the United States of America, and all references to "PRC" refer to the People's Republic of China, which for the purpose of this document, excludes the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan.

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

The Notes of each Tranche may be sold by the Issuer and/or any Dealer at such times and at such prices as the Issuer and/or the Dealer(s) may select. There is no obligation on the Issuer or any Dealer to sell all of the Notes of a Tranche. The Notes may be offered or sold from time to time in one or more transactions, in the over-the-counter market at prevailing market prices or in negotiated transactions, at the discretion of the Issuer. No representation or warranty or other assurance is given as to the number of Notes of a Tranche issued or outstanding at any time.

THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE (EITHER ALONE OR WITH THE HELP OF A FINANCIAL ADVISER) THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS PROGRAMME DOCUMENT (INCLUDING ANY SUPPLEMENTS HERETO AND DOCUMENTS INCORPORATED

BY REFERENCE HEREIN) AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH IN “RISK FACTORS” BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE PRICING SUPPLEMENT. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER, THE TRUSTEE OR ANY DEALER.

AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEMS (IF ANY) 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 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 (SUCH AS UPON EARLY REDEMPTION IN ACCORDANCE WITH CONDITION 5) BE ZERO. 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.

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW THE FINAL REDEMPTION AMOUNT AND ANY INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, BEFORE MAKING ANY DECISION TO PURCHASE REFERENCE ITEM LINKED NOTES.

PROSPECTIVE INVESTORS IN REFERENCE ITEM LINKED NOTES SHOULD UNDERSTAND THE RISKS OF TRANSACTIONS INVOLVING SUCH NOTES AND REACH AN INVESTMENT DECISION ONLY AFTER CAREFUL CONSIDERATION, WITH THEIR ADVISERS (IF ANY), OF THE SUITABILITY OF SUCH NOTES IN LIGHT OF THEIR PARTICULAR FINANCIAL CIRCUMSTANCES, THE INFORMATION SET FORTH HEREIN AND THE INFORMATION REGARDING SUCH NOTES AND THE RELEVANT REFERENCE ITEM(S).

An investment in the Notes may give rise to higher yields than a bank deposit placed with NatWest Markets or with any other deposit-taking entity in the NWM Group (as defined below) (a **Bank Deposit**). However, an investment in the Notes carries risks which are very different from the risk profile of a Bank Deposit. The Notes are expected to have greater liquidity than a Bank Deposit since Bank Deposits are generally not transferable. However, the Notes may have no established trading market when issued, and one may never develop. See further "Risk Factors – Risk Factors relating to the Notes - Risks relating to the market generally – Possible illiquidity of the Notes in the Secondary Market". Investments in the Notes do not benefit from any protection provided pursuant to Directive 2014/49/EU or any national implementing measures implementing this Directive in any jurisdiction. Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in such Notes in a worst case scenario could lose their entire investment. Further, as a result of the implementation of the BRRD (as defined below), holders of the Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool and non-viability loss absorption, which may result in such holders losing some or all of their

investment. See further "Risk Factors – Risk Factors relating to the Notes – Risks relating to the Notes generally – Instruments issued by the Issuer may be written down or converted into ordinary shares, or bailed-in".

The Commissioners of Her Majesty's Treasury (**HM Treasury**) have neither reviewed this Programme Document nor verified the information contained in it, and HM Treasury makes no representation with respect to, and does not accept any responsibility for, the contents of this Programme Document or any other statement made or purported to be made on its behalf in connection with the Issuer or the issue and offering of the Notes by the Issuer. HM Treasury accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Programme Document or any such statement.

MiFID II product governance / target market – The Pricing Supplement in respect of any Notes (or any drawdown listing particulars, as the case may be) 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 MiFID 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 any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT – EUROPEAN ECONOMIC AREA RETAIL INVESTORS

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

The Pricing Supplement in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA**).

The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Pricing Supplement will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

Forward-looking Statements

This Programme Document, including certain documents incorporated by reference herein, contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including (but not limited to) those related to the RBS Group and the NWM Group's (each as defined herein) regulatory capital position and funding requirements, financial position, ongoing litigation and regulatory investigations, profitability and financial performance (including financial performance targets and expectations), the NWM Group's reliance on the RBS Group for capital, liquidity and funding support, structural reform and the implementation of the UK ring-fencing regime, the implementation of the RBS Group and the NWM Group's restructuring and transformation programme, impairment losses and credit exposures under certain specified scenarios, increasing competition from new incumbents and disruptive technologies and the RBS Group and the NWM Group's exposure to political and economic risks (including with respect to Brexit), operational risk, conduct risk, cyber and IT risk and credit rating risk. In addition, forward-looking statements may include without limitation, the words "expect", "estimate", "project", "anticipate", "commit", "believe", "should", "intend", "plan", "could", "probability", "risk", "Value-at-Risk (VaR)", "target", "goal", "objective", "may", "endeavour", "outlook", "optimistic", "prospects" and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as the RBS Group and the NWM Group's future economic results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations and general economic and political conditions. These and other factors, risks and uncertainties that may impact any forward-looking statement or the NWM Group's actual results are discussed in the 2018 Annual Report and Accounts of NatWest Markets (as defined below). The forward-looking statements contained in this Programme Document, including certain documents incorporated by reference herein, speak only as of the date of such document and the RBS Group and the NWM Group do not assume or undertake any obligation or responsibility to

update any of such forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Certain figures included in this Programme Document have been subject to rounding adjustments.

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OVERVIEW OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE NOTES

The following overview is qualified in its entirety by the remainder of the Programme Document, and in relation to the terms and conditions of any Series of Notes, the relevant Pricing Supplement. Terms defined in “Risk Factors”, “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this overview.

Issuer: NatWest Markets Plc

NatWest Markets and its subsidiaries consolidated in accordance with International Financial Reporting Standards had total assets of £247,881 million and owners' equity of £9,087 million as at 31 December 2018. NatWest Markets' solo capital ratios on the PRA transitional basis as at 31 December 2018 were a total capital ratio of 21.5 per cent., a CET1 capital ratio of 15.6 per cent. and a Tier 1 capital ratio of 18.0 per cent.

The principal risk factors that may affect the Issuer's ability to fulfil their obligations under the Notes are discussed under “Risk Factors” below.

Risks relating to Notes

Notes may involve a high degree of risk.

There are certain material factors relevant to assessing the market risks associated with investing in Notes, including, without limitation, that Notes are unsecured obligations of the Issuer, a time lag between valuation and settlement, potential conflicts of interest, the trading activities of the Issuer and its affiliates may affect the return on Notes, market disruptions or other events may occur in respect of any relevant reference item(s), taxation risks, a substitution of the Issuer, illiquidity of the Notes in the secondary market, illegality of the performance of the Issuer's obligations under the Notes, exchange rate risks and exchange controls and that the market value of the Notes may be affected by the creditworthiness of the Issuer or the NWM Group.

Information Relating to the Programme

Description:	Structured Note Programme.
Arranger:	NatWest Markets Plc.
Dealer:	NatWest Markets Plc.
Trustee:	The Law Debenture Trust Corporation p.l.c.
Agent:	The Bank of New York Mellon, London Branch.
CMU Lodging and Paying Agent:	The Bank of New York Mellon, acting through its Hong Kong Branch.
Registrar:	In respect of Notes cleared through CREST, Computershare Investor Services PLC. In respect of Notes not cleared through CREST: The Bank of New York Mellon SA/NV, Luxembourg Branch.
Size:	Up to U.S.\$7,000,000,000 (or its equivalent in any other currencies) outstanding at any time. The Issuer may increase the Programme size.
Maturities:	As specified in the applicable Pricing Supplement.
Issue Price:	Notes may be issued on a fully or partly paid basis and at par or at a discount to, or premium over, par.
Form of Notes:	Notes will be in bearer or registered form. Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Clearing Systems	Euroclear, Clearstream, Luxembourg, CMU Service and/or any other clearing system as may be specified in the applicable Pricing Supplement including, but not limited to, the dematerialised and uncertificated securities trading system operated by CREST.

Terms of the Notes: Notes may or may not bear interest at a fixed or floating rate and may be issued at a premium or discount from their principal amount. Any interest and/or the redemption amount may be calculated by reference to movements in an index, inflation index or a currency exchange rate, changes in share, commodity, government bond (or related futures contract) or certificate prices, changes in the net asset value of a fund or changes in the credit of an underlying entity. Notes may have any combination of the foregoing features.

Change of Interest/Payment Basis: Notes may be converted from one interest and/or payment basis to another if so provided in the applicable Pricing Supplement.

Index Linked Notes: Payments of principal and/or interest will be calculated by reference to a single index or basket of indices and/or such formula as specified in the applicable Pricing Supplement.

If an Index Adjustment Event occurs, the Notes may be subject to adjustment or may be redeemed.

Equity Linked Notes: Payments of principal and/or interest will be calculated by reference to a single equity security or basket of equity securities and/or such formula as specified in the applicable Pricing Supplement.

The applicable Pricing Supplement may specify redemption of Equity Linked Redemption Notes by physical delivery.

The Notes may be subject to adjustment or may be redeemed following the occurrence of certain events relating to the underlying equity security(ies)/issuer(s), if such events are specified as applying in the applicable Pricing Supplement.

Additional Disruption Event: If "Additional Disruption Event" is specified as applying in the applicable Pricing Supplement, the Notes may be subject to further adjustment or may be redeemed.

Credit Linked Notes: Notes linked to the credit of a specified entity or entities will be issued on terms determined by the Issuer and as specified in

the applicable Pricing Supplement.

If the Calculation Agent determines that a Constraint Event has occurred or exists, the Notes may be subject to adjustment or may be redeemed.

Currency Linked Notes: Payments of principal and/or interest will be made in such currencies, and by reference to such rates of exchange and/or such formula, as may be specified in the applicable Pricing Supplement.

Commodity Linked Notes: Payments of principal and/or interest will be calculated by reference to a single commodity or basket of commodities and/or such formula as specified in the applicable Pricing Supplement.

If a Market Disruption Event occurs in respect of the relevant commodity(ies), the Notes may be subject to adjustment or may be redeemed.

Government Bond Linked Notes: Payments of principal and/or interest will be calculated by reference to a single government bond (or related futures contract) or basket of government bonds (or related futures contracts) and/or such formula as specified in the applicable Pricing Supplement.

If a Market Disruption Event occurs, the Notes may be subject to adjustment or may be redeemed.

Fund Linked Notes: Payments of principal and/or interest will be calculated by reference to a single fund or basket of funds and/or such formula as specified in the applicable Pricing Supplement.

If certain Trigger Events occur (or may potentially occur), the Notes may be subject to adjustment or may be redeemed.

Inflation Index Linked Notes: Payments of principal and/or interest will be calculated by reference to a single inflation index or basket of inflation indices and/or such formula as specified in the applicable Pricing Supplement.

Following the occurrence of certain events, the Notes may be subject to adjustment or may be redeemed.

Certificate Linked Notes: Payments of principal and/or interest will be calculated by reference to a single certificate or basket of certificates and/or such formula as specified in the applicable Pricing Supplement.

If a Market Disruption Event occurs, the Notes may be subject to adjustment or may be redeemed.

Zero Coupon Notes: Notes issued on a non-interest bearing basis will be offered and sold at a discount to their nominal amount.

Partly Paid Notes: Notes may be issued on a partly paid basis in which case interest will accrue on the paid-up amount of such Notes, subject as specified in the applicable Pricing Supplement.

Instalment Notes: Notes may be issued which are redeemable in instalments.

Other Notes: The Issuer may issue Notes in a form not contemplated by or inconsistent with the Conditions, the provisions of which, will be specified in the applicable Pricing Supplement.

Redemption: The applicable Pricing Supplement will indicate either that the Notes cannot be redeemed prior to their stated maturity (except in specified circumstances) or that they will be redeemable prior to such stated maturity at the option of the Issuer and/or Noteholders upon notice to the other party, at such price or prices and on such terms, as specified in the applicable Pricing Supplement.

The applicable Pricing Supplement may provide that Notes may be redeemed in two or more instalments, on such dates and on such other terms as are indicated in such Pricing Supplement.

Redemption due to Benchmark Event:	a If the relevant Pricing Supplement for Notes of any Series specify that the Issuer has an option to redeem such Notes in the case of an occurrence of a Benchmark Event, the Issuer may opt to redeem all, but not some only, of the Notes at the price set out in the relevant Pricing Supplement together with any outstanding interest.
Illegality and Taxation:	The Issuer may in certain circumstances, upon notice to Noteholders, redeem all (but not some only) of the Notes of a Series if it determines in good faith that the performance of any of its obligations or any hedging arrangements under or in connection with such Notes has or will become subject to illegality or adverse tax treatment.
Denomination of Notes:	As specified in the applicable Pricing Supplement.
Taxation:	The Issuer will not be obliged to gross up any payments in respect of any Notes nor liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may result from the ownership, transfer or presentation and surrender for payment of any Note and all payments made by it shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.
Status of the Notes:	Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer.
Rating:	Notes may be rated or unrated.
Listing and admission to trading:	Application has been made to list Notes issued under the Programme on the Official List of Euronext Dublin and to admit them to trading on Euronext Dublin's Global Exchange Market or as otherwise specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series may be unlisted.
Governing Law:	English law.
Selling Restrictions:	See "Subscription and Sale".

Neither the Trust Deed nor any Notes contain any negative pledge covenant by the Issuer or any Events of Default other than as set out in Condition 19.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the 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.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties the NWM Group's businesses face.

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 the Issuer currently considers not to be material or of which it is not currently aware) and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Investors should note that they bear the Issuer's solvency risk. Prospective investors should also read the detailed information set out elsewhere in this Programme Document (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Terms used in this section and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Notes".

RISK FACTORS RELATING TO THE ISSUER

Prospective investors should consider the section entitled "Risk Factors" at pages 124 to 133 in the 2018 Annual Report and Accounts of NatWest Markets as referred to in, and incorporated by reference into, this Programme Document as set out in "Documents Incorporated by Reference" in this Programme Document.

RISK FACTORS RELATING TO THE NOTES

The Issuer believes that the following factors may affect its ability to fulfil 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.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

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 any Notes for other reasons (which the Issuer currently considers not to be material or of which it is currently not aware) 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 Programme Document (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

Risks relating to the structure of a particular issue of Notes

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

Risks relating to Reference Item Linked Notes

Equity Linked Notes, Index Linked Notes, Credit Linked Notes, Currency Linked Notes, Commodity Linked Notes, Government Bond Linked Notes, Fund Linked Notes, Inflation Index Linked Notes and Certificate Linked Notes (each as defined below and together **Reference Item Linked Notes**) involve a high degree of risk.

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

Where the applicable Pricing Supplement specifies 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 Reference Item Linked Notes will depend upon the performance of such Reference Item(s). Potential investors should also note that whilst the market value of such 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 and as such the market prices of such Notes may be volatile. 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 Final Redemption Amount(s) on the relevant Maturity Date as well as periodic payments of interest (if specified in the applicable Pricing Supplement), all or some of which may be determined by reference to the performance of the relevant Reference Item(s). The applicable Pricing Supplement will set out the provisions for the determination of the Final Redemption Amount and of any periodic interest payments.

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 some or all of their investment if the value of the relevant Reference Item(s) does not move in the anticipated direction.

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 on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item 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 and therefore may affect the return on an investment in Reference Item Linked Notes.

The Issuer may issue several issues of Reference Item Linked Notes relating to particular Reference Item(s). However, no assurance can be given that the Issuer will issue any Reference Item Linked Notes other than the Reference Item Linked Notes to which the applicable Pricing Supplement 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.

Equity Linked Notes

Equity Linked Redemption Notes may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of a given number of the Reference Item(s) and/or by payment of an amount determined by reference to the value of the Reference Item(s). Accordingly, an investment in Equity Linked Redemption Notes may bear similar market risks to a direct equity investment and investors may consider taking advice accordingly. Interest payable on Equity Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Equity Linked Interest Notes and Equity Linked Redemption Notes are referred to herein as **Equity Linked Notes**.

Index Linked Notes

Index Linked Redemption Notes may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s). Interest payable on Index Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Index Linked Interest Notes and Index Linked Redemption Notes are referred to herein as **Index Linked Notes**.

The historical performance of an index should not be viewed as an indication of the future performance of such index during the term of any Notes.

Credit Linked Notes

In the event of the occurrence of certain circumstances (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention, as each such term is defined in Condition 10 (*Credit Linked Notes*)) in relation to a Reference Entity or Reference Entities, in each case, as specified in the applicable Pricing Supplement, the Issuer's obligation to pay principal or perform other obligations under the Notes may be replaced by an obligation to pay other amounts calculated by reference to the price (as determined herein) of the Reference Item(s) and/or to deliver the Reference Item(s). In addition interest bearing Credit Linked Notes may cease to bear interest on or prior to the date of occurrence of such circumstances.

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

Under the Conditions of the Credit-Linked Notes, certain determinations in respect of Credit-Linked Notes may be made by reference to announcements, determinations and Resolutions made by ISDA and/or Credit Derivatives Determinations Committees. Such announcements, determinations and Resolutions could affect the redemption and settlement of the Credit-Linked Notes (including the quantum and timing of payments and/or deliveries on redemption). For the avoidance of doubt, neither the Issuer nor the Calculation Agent shall have any liability to any person for any determinations, redemption, calculations and/or delay or suspension of payments and/or redemption of Credit-Linked Notes resulting from or relating to announcements, publications, determinations and Resolutions made by ISDA and/or any Credit Derivatives Determinations Committees.

In relation to Credit-Linked Notes, no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the Rules and/or any relevant Credit Derivatives Auction Settlement Terms, as applicable, shall be liable to Noteholders. No DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the Rules and/or any relevant Credit Derivatives Auction Settlement Terms is acting as fiduciary for, or as an advisor to, Noteholders.

Payments of principal and interest or other obligations of the Issuer in respect of any Series of Credit Linked Notes may be restricted upon the occurrence of any Constraint Event described in the applicable Pricing Supplement. A Constraint Event may relate to the imposition of currency or exchange controls in any specified country or to a nationalisation, a hedging disruption, a credit rating downgrade in relation to a specified obligation or any other circumstance as provided in the applicable Pricing Supplement. Following a Constraint Event, the Issuer shall be entitled to require the Calculation Agent to adjust the relevant Credit Linked Notes or to early redeem such Credit Linked Notes or to postpone payments or deliveries in respect of such Credit Linked Notes so long as the Constraint Event continues

provided that if the Constraint Event continues for a period of two years the Credit Linked Notes shall expire worthless and shall be cancelled.

Currency Linked Notes

Currency Linked Redemption Notes may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s). Interest payable on Currency Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Currency Linked Interest Notes and Currency Linked Redemption Notes are referred to herein as **Currency Linked Notes**.

In the course of day to day FX-trading, the Issuer and/or its affiliates may enter into transactions which may affect currency exchange rates. This in turn may affect the value of Currency Linked Notes and may trigger certain provisions of such Notes.

Commodity Linked Notes

Commodity Linked Redemption Notes may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s). Interest payable on Commodity Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Commodity Linked Interest Notes and Commodity Linked Redemption Notes are referred to herein as **Commodity Linked Notes**.

Government Bond Linked Notes

Government Bond Linked Redemption Notes may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s). Interest payable on Government Bond Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Government Bond Linked Interest Notes and Government Bond Linked Redemption Notes are referred to herein as **Government Bond Linked Notes**.

Fund Linked Notes

Fund Linked Redemption Notes may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s). Interest payable on Fund Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Fund Linked Interest Notes and Fund Linked Redemption Notes are referred to herein as **Fund Linked Notes**.

Inflation Index Linked Notes

Inflation Index Linked Redemption Notes may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s). Interest payable on Inflation Index Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Inflation Index Linked

Interest Notes and Inflation Index Linked Redemption Notes are referred to herein as **Inflation Index Linked Notes**.

Certificate Linked Notes

Certificate Linked Redemption Notes may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Item(s). Interest payable on Certificate Linked Interest Notes may be calculated by reference to the value of one or more Reference Item(s). Certificate Linked Interest Notes and Certificate Linked Redemption Notes are referred to herein as **Certificate Linked Notes**.

Eurosystem Eligibility

The European Central Bank (the **ECB**) maintains and publishes a list of assets which are recognised as eligible collateral for Eurosystem monetary and intra-day credit operations. In certain circumstances, recognition may impact on (among other things) the liquidity of the relevant assets. Recognition (and inclusion on the list) is at the discretion of the Eurosystem and is dependent upon satisfaction of certain Eurosystem eligibility criteria and rules. If application is made to the European Control Board for any Notes to be recognised and added to the list of eligible assets, there can be no assurance that such Notes will be so recognised, or, if they are recognised, that they will continue to be recognised at all times during their life.

The Issuer is also subject to additional eligibility criteria pursuant to Article 81a of Guideline (EU) 2015/510 (as amended), which requires a credit institution to be located in the EU in order for their notes to be recognised as eligible collateral for Eurosystem monetary and intra-day credit operations. On 23 June 2016, the United Kingdom voted to leave the EU in a referendum. On 29 March 2017, the United Kingdom notified the European Council of its intention to withdraw from the EU pursuant to Article 50 of the Treaty on the European Union. The withdrawal of the United Kingdom from the EU ("**Brexit**") is scheduled to take place on 29 March 2019. Following Brexit, the Notes are not likely to be recognised as eligible collateral for Eurosystem monetary and intra-day credit operations.

Calculation Agent Discretions

Under the Conditions of the Notes, the Calculation Agent may make certain determinations in respect of the Notes, and certain adjustments to the Conditions, which could affect the amount payable by the Issuer on the Notes. The Conditions will specify the reasons for, and the circumstances in which, the Calculation Agent will be able to make such determinations and adjustments. In exercising its right to make such determinations and adjustments the Calculation Agent is entitled to act in its sole and absolute discretion, but must act in good faith.

Risks related to Notes which are linked to "benchmarks"

The London Interbank Offered Rate (**LIBOR**), the Euro Interbank Offered Rate (**EURIBOR**) and other indices which are deemed to be "benchmarks" are the subject of recent national,

international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark". For example, on 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (**FCA**), which regulates LIBOR, announced that it intends to stop persuading or compelling 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 cannot and will not be guaranteed after 2021. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. At this time, no consensus exists as to what rate or rates may become accepted alternatives to LIBOR and it is impossible to predict the effect of any such alternatives on the value of LIBOR-based securities such as the Notes. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR may adversely affect LIBOR rates during the term of the Notes and the return on the Notes and the trading market for LIBOR-based securities. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, or the occurrence of any other event that the Issuer determines to be a Benchmark Event, or a determination by the Issuer that a successor rate may be available (in each case, following consultation, to the extent practicable, with the Calculation Agent), could require or result in an adjustment to the interest provisions of the Conditions as determined by an Independent Adviser or the Issuer (as further described in Condition 3(g) and, in the case of SONIA, Condition 3(b)(v), or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

In particular, regulation 2016/1011 (the **Benchmark Regulation**) came into force on 1 January 2018. The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU, and, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non-EU-based, to be subject to equivalent requirements) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of unauthorised administrators. The Benchmark Regulation could have a material impact on any Notes linked to a "benchmark", including in any of the following circumstances:

- (i) an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or register or, if based in a non-EU jurisdiction, the administrator is not otherwise recognised as equivalent; and
- (ii) the methodology or other terms of the "benchmark" could be changed in order to

comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

Either of the above could potentially lead to the Notes being de-listed, adjusted or redeemed early or otherwise affected depending on the particular "benchmark" and the applicable terms of the Notes.

In addition, any other international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks".

Any of the above changes could have a material adverse effect on the value of, and return on, any Notes linked to a benchmark.

The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes

On 29 November 2017, the Bank of England and the FCA announced that, from January 2018, the Bank of England's Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (**SONIA**) over the next four years across sterling bond, loan and derivatives markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Notes that reference a SONIA rate issued under this Programme Document. The nascent development of Compounded Daily SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes that reference a SONIA rate to reliably estimate the amount of interest that will be payable on such Notes. Further, if the Notes become due and payable under Condition 19, the Rate of Interest payable shall be determined on the date the Notes became due and

payable and shall not be reset thereafter. In addition, the manner of adoption or application of SONIA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivative and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing a SONIA rate. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Notes.

Risks relating to Notes generally

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

Notes are unsecured obligations

All Notes will represent direct, unconditional, unsecured and unsubordinated obligations of the Issuer and of no other person. All Notes will rank without any preference among themselves and (save to the extent that laws affecting creditors' rights generally in a bankruptcy or winding up may give preference to any of such other obligations) equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

Taxation and Expenses

Potential purchasers and sellers of Notes should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Notes are transferred and that transactions involving Notes (including Physical Delivery, where applicable) may be subject to United Kingdom stamp duty or stamp duty reserve tax. Noteholders are subject to the provisions of Condition 17 and payment and/or delivery of any amount due in respect of the Notes will be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted without the Issuer being required to gross up therefor.

If Physical Delivery is specified in the applicable Pricing Supplement as applying in relation to any Notes, all Delivery Expenses arising from the delivery of the Reference Item(s) in respect of such Note shall be for the account of the relevant Noteholder and no delivery of the Reference Item(s) shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

No Claim against any Reference Item

A Note will not represent a claim against any Reference Item and, in the event of any loss, a Noteholder will not have recourse under a Note to any Reference Item.

Disrupted Days

Where the Notes are Index Linked Redemption Notes or Equity Linked Redemption Notes, the Calculation Agent may determine that a Disrupted Day has occurred or exists at a

relevant time. Any such determination may have an effect on the value of the Notes and/or may delay settlement in respect of the Notes. Prospective investors should review the Conditions and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Notes.

Settlement Risk

Where any Equity Linked Redemption Notes are to be settled by Physical Delivery, the Calculation Agent may determine that a Settlement Disruption Event is subsisting and/or, where “Failure to Deliver due to Illiquidity” is specified as applying in the applicable Pricing Supplement, that it is impossible or impractical to deliver when due some or all of the assets due to be delivered due to illiquidity in the relevant market. Any such determination may affect the value of the Notes and/or may delay settlement in respect of the Notes and/or result in whole or partial cash settlement in respect of the Notes. Prospective investors should review the Conditions and the applicable Pricing Supplement to ascertain whether and how such provisions apply to the Notes.

Potential Conflicts of Interest

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

In relation to Credit-Linked Notes, where the Issuer or any affiliate of the Issuer is a DC Party, potential conflicts of interest may exist between the DC Party and Noteholders, including with respect to certain determinations and judgements that the Issuer or its affiliates may make in its capacity as a DC Party in connection with its performance of its respective duties under the Rules and/or any relevant Credit Derivatives Auction Settlement Terms. Action or determinations made by the Issuer or its affiliates in its capacity as a DC Party or as a participant in an Applicable Auction may affect the redemption and settlement of the Credit-Linked Notes (including the quantum and timing of payments of on redemption).

The Issuer and/or any Dealer may at the date hereof or at 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 Issuer or any Dealer to disclose to Noteholders any such information.

The Issuer and/or any of its affiliates may have existing or future business relationships with any Reference Item(s) or, if applicable, any of their subsidiaries or affiliates or any other person or entity having obligations relating to any of the Reference Item(s) (including, but not limited to, dealing, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Noteholder, regardless of whether any such action might have an

adverse effect (including, without limitation, any action which might constitute or give rise to any breach, event of default, credit event or termination event) on any of the Reference Item(s) or any investor in the Notes.

The Issuer or one of its affiliates may be the sponsor or calculation agent in respect of (i) a Reference Item or (ii) one or more of the components of a Reference Item to which the Notes are linked. In such circumstances, the terms of the Reference Item (or component of the Reference Item) may provide the Issuer (or one of its affiliates) acting as sponsor or calculation agent with discretions to make certain determinations and judgements which may influence the price or level of such Reference Item (or component of the Reference Item). Those discretions may be adverse to the interest of the holders of the Notes and may negatively impact the value of the Notes.

Modification, waivers and substitution

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

The Conditions also provide that the Trustee may agree, without the consent of Noteholders, to (i) any modification (subject to certain exceptions as provided in the Trust Deed) of the Conditions or of the provisions of the Trust Deed which in its opinion is not materially prejudicial to the interests of the Noteholders, (ii) any modification of the Conditions or the provisions of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated or (iii) any modifications to the Trust Deed, Agency Agreement and the Conditions as may be required in order to give effect to Condition 3(g) in connection with effecting any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes. Any such modification shall be binding on the Noteholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders in accordance with Condition 23 as soon as practicable thereafter.

The Trustee may also waive or authorise any breach or proposed breach of the Conditions or the provisions of the Trust Deed in relation to such Notes which, in its opinion, is not materially prejudicial to the interests of the holders of the Notes of the relevant Series.

In addition, pursuant to Condition 24 and the Trust Deed, the Trustee may agree, without the consent of the Noteholders, to the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 24 and the Trust Deed, including if, *inter alia*, (i) the obligations of such substituted principal debtor thereunder are guaranteed by the Issuer on a basis acceptable to the Trustee and (ii) the Trustee is satisfied that such substitution is not materially prejudicial to the interests of the Noteholders.

Partly Paid Notes

Prospective investors should note that, where the Notes are issued on a partly paid basis (such Notes, **Partly Paid Notes**), all rights arising under such Notes (including rights to payment of principal and interest) after the date on which any instalment is due shall be conditional upon the due payment of the relevant instalment. Accordingly, to the extent that any instalment is not paid when due, the relevant investor shall not be entitled to any rights in respect of the relevant Notes (including any right to repayment of instalments already paid).

Illegality and Taxation

In the event that the Issuer determines in good faith that:

- (i) either the performance of its obligations under a Series of Notes or that any arrangements made to hedge its position under such Notes has or will become unlawful, illegal, or otherwise prohibited in whole or in part, or
- (ii) the performance of its obligations under a Series of Notes or that any arrangements made to hedge its position under such Notes has resulted or will result in the Issuer or any affiliate not being entitled to tax relief in respect of any losses, costs or expenses incurred in connection therewith,

the Issuer may, having given notice to Noteholders, redeem all, but not some only, of the Notes of such Series, each Note being redeemed at the Early Redemption Amount, together with, if so specified in the applicable Pricing Supplement, accrued interest.

U.S. Foreign Account Tax Compliance Withholding

Pursuant to certain provisions of U.S. law, commonly known as FATCA, withholding may be required on, among other things, (i) certain payments made by “foreign financial institutions” (**foreign passthru payments**) and (ii) Dividend Equivalent Payments (as defined below in “*Payments on the Notes may be subject to U.S. withholding tax and/or Early Termination on Account of U.S. Withholding Tax*”), in each case, to persons that fail to meet certain certification, reporting, or related requirements. The Issuer believes that it is a foreign financial institution for these purposes. A number of jurisdictions (including 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.

Certain aspects of the application of FATCA to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments, are not clear at this time. If withholding is required with respect to foreign passthru payments pursuant to FATCA or an IGA, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining “foreign passthru payment”. Additionally, Notes that are not treated as equity for U.S. federal income tax purposes and that have a defined term generally would be

“grandfathered” for purposes of FATCA withholding (i) in respect of foreign passthru payments, if issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register, and (ii) in respect of Dividend Equivalent Payments, if issued on or prior to the date that is six months after the date on which obligations of its type are first treated as generating Dividend Equivalent Payments, in each case, unless the Notes are materially modified after the relevant grandfathering date. However, if additional notes (as described under “*Terms and Conditions of the Notes—Further Issues*”) that are not distinguishable from 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 grandfathered Notes, as subject to withholding under FATCA.

While a payment could be subject to U.S. withholding both under FATCA and as a result of such payment being treated as a Dividend Equivalent Payment, the maximum rate of U.S. withholding tax on such payment would not exceed 30 per cent.

In the event any withholding would be required pursuant to FATCA or an IGA (or any fiscal or regulatory legislation, rules or practices implementing such an IGA) with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

Payments on the Notes may be subject to U.S. withholding tax and/or Early Termination on Account of U.S. Withholding Tax

U.S. Treasury regulations under Section 871(m) of the Internal Revenue Code of 1986, as amended (the **Code**), treat a Dividend Equivalent Payment as a dividend from sources within the United States.

A **Dividend Equivalent Payment** is defined under the Code as (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 U.S. Internal Revenue Service (the **IRS**) to be substantially similar to a payment described in the preceding clauses (i) and (ii).

U.S. Treasury Regulations issued under Section 871(m) (the **Section 871(m) Regulations**) generally require payments with respect to amounts treated as determined by reference to dividends from certain U.S. securities (the **U.S. Underlying Equities**) to be treated as if they are dividends from a U.S. issuer. Under the Section 871(m) Regulations, only a Note that has economic characteristics that are sufficiently similar to that of the U.S. Underlying Equities, as determined on the Notes issue date based on tests set forth in the Section 871(m) Regulations, will be subject to the Section 871(m) withholding regime (making such Note a **Section 871(m) Note**). The Section 871(m) Regulations provide certain exceptions to this

withholding requirement, in particular for certain instruments linked to certain broad-based indices.

Upon the issuance of a series of Notes, the Issuer will state in the applicable Pricing Supplement if it has determined that they are Section 871(m) Notes at the time such Notes are issued and also specify the method of Section 871(m) withholding that will be applied to the Notes.

If "Dividend Withholding" is specified in the relevant Pricing Supplement as being applicable, the Issuer will report the appropriate amount of each payment under the Note (including possibly a portion of the payments at maturity of the Note) that are attributable to dividends on U.S. Underlying Equities, and the applicable withholding agent is expected to withhold 30 per cent. from such payment unless the payee establishes an exemption from or reduction in the withholding tax. In addition, non-U.S. investors may be subject to U.S. withholding tax on proceeds from the sale of a Note, to the extent those proceeds reflect dividends on U.S. Underlying Equities.

If "Issuer Withholding" is specified in the relevant Pricing Supplement as being applicable, the Issuer will withhold 30 per cent. of any dividend equivalent payments payable under the Note (including possibly a portion of the payments at maturity of the Note). If the terms of the Note provide that all or a portion of the dividends on U.S. Underlying Equities are reinvested in the U.S. Underlying Equities during the term of the Note, the terms of the Note will also provide that only 70 per cent. of a deemed dividend equivalent will be reinvested. The remaining 30 per cent. of such deemed dividend equivalent will be treated, solely for U.S. federal income tax purposes, as having been withheld from a gross dividend equivalent payment due to the investor and remitted to the IRS on behalf of the investor. The Issuer will withhold such amounts without regard to either any applicable treaty rate or the classification of an investor as a U.S. or non-U.S. investor for U.S. federal income tax purposes.

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. If payments to a holder are subject to withholding tax and the holder believes it is eligible for an exemption from, or reduced rate of, withholding tax, the holder may be able to claim a refund of the amounts over-withheld. The Issuer makes no representation regarding holder's eligibility to claim such a refund, and holders may not be able to obtain an IRS Form 1042 from the Issuer or any custodian that would assist holders in obtaining the refund.

The imposition of this U.S. withholding tax would reduce the amounts received by holders that are not U.S. persons. In the event that any such U.S. withholding tax would be required with respect to payments on the Notes, no person would be required to pay additional amounts as a result of such withholding. Additionally, the Issuer may elect to redeem the Notes, in accordance with Condition 5(I), should this U.S. withholding tax apply to any current or future payments on the Notes (or the Issuer's hedging arrangements in respect of any Notes).

The Issuer's determination is binding on non-U.S. holders of the 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. Underlying Equities and their application to a specific issue of Notes may be uncertain. Prospective investors should consult their tax advisers regarding the consequences to them of the potential application of Section 871(m) to the Notes, including their ability to claim reductions in the amount of withholding, or refunds or credits in respect of amounts withheld, under an applicable tax treaty with the United States.

Instruments issued by the Issuer may be written down or converted into ordinary shares, or bailed-in

On 6 June 2012, the European Commission published a legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms, known as the Bank Recovery and Resolution Directive (the **BRRD**). Following the political agreement reached by the EU Member States and the European Parliament on 12 December 2013, the BRRD was adopted by the European Parliament on 15 April 2014 and the Council of the European Union on 6 May 2014.

The stated aim of the BRRD is to provide supervisory authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. The BRRD requires Member States to give powers to their regulators and other bodies responsible for resolution activities (**Resolution Authorities**) to recapitalise EU banks and investment firms (**Institutions**) and/or their EEA parent holding companies that are in severe financial difficulty or at the point of non-viability by permanently writing-down certain capital instruments issued by such Institutions and/or their EEA parent holding companies (or converting capital instruments into shares) (**Regulatory Capital Write-Down Powers**). Resolution Authorities also have powers to 'bail-in' certain unsecured liabilities of an Institution and/or its EEA parent holding companies in a resolution scenario (**Bail-In Powers**), i.e. to impose losses of a failed or failing Institution onto certain creditors by writing down unsecured liabilities owed to them or by converting those liabilities into shares. Member States were required to transpose the requirements set out under the BRRD by 31 December 2014 and apply the requirements from 1 January 2015, although Member States were permitted to delay the application of Bail-in Powers until 1 January 2016. HM Treasury has not taken advantage of this option and Bail-in Powers have accordingly been in force in the United Kingdom since 31 December 2014.

Under the Regulatory Capital Write-Down Powers in the BRRD, Resolution Authorities will have the power (and will be obliged when specified conditions are determined by the relevant Resolution Authority to have been met) to write-down, or convert into CET1 Capital instruments (e.g. ordinary shares) of the Institution and/or its EEA parent holding company, Tier 1 and Tier 2 Capital instruments issued by Institutions and/or their EEA parent holding companies before taking any form of resolution action or applying any resolution power set out in the BRRD. Resolution Authorities will also be able to exercise Bail-In Powers to write-down certain unsecured liabilities of Institutions and/or their EEA parent holding companies that meet the conditions for resolution (which include a determination that a point of non-

viability has been reached or is likely to be reached) or to convert such unsecured liabilities into equity, either to recapitalise the relevant Institution and/or EEA parent holding company (subject to appropriate restructuring of the Institution's business) or to provide capital for any bridge institution that the Resolution Authorities establish in connection with the resolution of the Institution.

Subject to certain exemptions set out in the BRRD (including secured liabilities, bank deposits guaranteed under an EU member state's deposit guarantee scheme, liabilities arising by virtue of the holding of client money, liabilities to other non-group banks or investment firms that have an original maturity of fewer than seven days and certain other exceptions), it is intended that all liabilities of Institutions and/or their EEA parent holding companies should potentially be 'bail-in-able' (the **Eligible Liabilities**). Resolution Authorities will apply the Bail-In Powers to the shares and other Eligible Liabilities of a failing Institution and/or EEA parent holding company in accordance with a hierarchy prescribed by the BRRD, pursuant to which, for example, subordinated debt instruments are to be written down or converted ahead of senior unsecured debt.

The Bail-In Powers given to Resolution Authorities include the ability to write-down or convert certain unsecured debt instruments into shares (or other instruments of ownership) of the Institution, to reduce the outstanding amount due under such debt instruments (including reducing such amounts to zero) or to cancel, modify or vary the terms of such debt instruments (including varying the maturity of such instruments). In addition, pursuant to Section 78A of the Banking Act 2009, the use of government financial stabilisation tools (such as public equity support or temporary public ownership tools) shall only be used in the very extraordinary situation of a systemic crisis, as a last resort and after having assessed and exploited the other resolution tools (including the Bail-In Powers) to the maximum extent practicable whilst maintaining financial stability, as determined by HM Treasury after consulting the Bank of England.

The Notes fall within the scope of the Bail-In Powers set out in the BRRD (which the United Kingdom has implemented through the Financial Services (Banking Reform) Act 2013 and secondary legislation, which introduced bail-in as a fourth stabilisation option which may be exercised by the Bank of England under the Banking Act 2009 in addition to the three previously existing stabilisation options provided under the Banking Act 2009).

Bail-In Powers may be unpredictable and may be outside of the Issuer's control. Accordingly, trading behaviour in respect of the Notes which are subject to such write-down or conversion powers is not necessarily expected to follow trading behaviour associated with other types of securities. Any final determination that the Notes will become subject to the Bail-In Powers set out in the BRRD could have an adverse effect on the market price of the relevant Notes. Potential investors should also consider the risk that a Noteholder may lose all of its investment in such Notes and claims to unpaid interest. Any amounts written-off as a result of the application of the Bail-in Powers would be irrevocably lost and holders of such Notes would cease to have any claims for (i) the written-off principal amount of the Notes and (ii) any unaccrued obligations or claims arising in relation to such amounts if the full principal amount of a Note is written-off. In circumstances where UK Resolution Authorities

use their Bail-In Powers to reduce part of the principal amount of the Notes, the terms of the Notes would continue to apply in relation to the residual principal amount, subject to any modification to the amount of interest payable to reflect the reduction of the principal amount.

Where UK Resolution Authorities use their Bail-In Powers, they must ensure that creditors do not incur greater losses than they would have incurred had the Institution been wound up under normal insolvency proceedings immediately before the exercise of the resolution power, however there can be no guarantee that the application of this requirement will mean that a Noteholder will not lose all of its investment in the Notes in the event that the UK Resolution Authorities use their Bail-in Powers in this way.

Index Adjustment Events

Where the Notes are Index Linked Notes and an Index Adjustment Event occurs, the Issuer may either require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Notes and if so, to calculate the Reference Price as further provided in Condition 7(b)(ii)(a) or the Issuer may elect to give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

Potential Adjustment Events, De-listing, Merger Event, Nationalisation and Insolvency, Tender Offer and Adjustments for Equity Linked Notes in respect of Underlying Equities quoted in European Currencies

Where the Notes are Equity Linked Notes and Potential Adjustment Events and/or De-listing, Merger Event, Nationalisation and Insolvency and/or Tender Offer are specified as applying in the applicable Pricing Supplement, the Notes may be subject to adjustment, including, if applicable, the substitution of the Underlying Equity or Underlying Equities or, in the case of the occurrence of a De-listing, Merger Event, Nationalisation, Insolvency and/or Tender Offer, may be redeemed as further provided in Condition 8(b).

In respect of Equity Linked Notes relating to Underlying 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 establishing the European Community, as amended, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Notes will be subject to such adjustment as the Calculation Agent determines to be appropriate to preserve the economic terms of the Notes.

Currency Exchange Rate Adjustment

Where the Notes are Currency Linked Notes, if a day on which a Currency Exchange Rate is to be determined is not a Currency Business Day, such day may be deferred, brought

forward or omitted as determined by the Calculation Agent as further provided in Condition 6(b)(i).

Commodity Market Disruption Event Adjustment

Where the Notes are Commodity Linked Notes and the Calculation Agent determines that a Market Disruption Event has occurred or is occurring, then the Calculation Agent shall determine if such Market Disruption Event has a material effect on the Notes and, if so, the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such Market Disruption Event, or the Issuer may give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

Government Bond Market Disruption Event Adjustment

Where the Notes are Government Bond Linked Notes and the Calculation Agent determines that a Market Disruption Event has occurred or is occurring, then the Calculation Agent shall determine if such Market Disruption Event has a material effect on the Notes and, if so, the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such Market Disruption Event, or the Issuer may give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

Fund Trigger Event Adjustment

Where the Notes are Fund Linked Notes and the Calculation Agent determines that a Trigger Event or Potential Trigger Event, or a certain Insolvency or Merger Event has occurred or is occurring, then the Calculation Agent may, among other things, make such adjustments to the Conditions as it considers appropriate to account for any such event, or the Issuer may give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

Inflation Index Adjustment Events

Where the Notes are Inflation Index Linked Notes and certain modifications or alterations are made in respect of the relevant Inflation Index or such Inflation Index is discontinued, the Issuer may make such adjustments to the Conditions as it considers appropriate to account for any such event, or the Issuer may elect to give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in

accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

Certificate Market Disruption Event Adjustment

If the Calculation Agent determines that on any Business Day a Market Disruption Event has occurred or is occurring, then the Calculation Agent shall determine if such Market Disruption Event has a material effect on the Notes and, if so, the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such Market Disruption Event or the Issuer may give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

Hedging

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

Change of Law

Notes will be governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Programme Document (and any supplement to it and/or applicable Pricing Supplement for the relevant Notes).

Notes where denominations involve integral multiples: definitive Notes

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

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

Risks relating to the market generally

Set out below is a brief description of certain regulatory risks, market risks, including liquidity risk, exchange rate risk and credit risk.

Possible illiquidity of the Notes in the Secondary Market

There can be no assurance as to how any Notes will trade in the secondary market or whether such market will be liquid or illiquid. Application may be made to list Notes on a stock exchange, as indicated in the applicable Pricing Supplement. The fact that Notes may be listed does not necessarily lead to greater liquidity. No assurance can be given that there will be a market for any Notes. If any Notes are not traded on any stock exchange, pricing information for such Notes may be more difficult to obtain, and the liquidity and market prices of such Notes may be adversely affected. The liquidity of Notes may also be affected by restrictions on offers and sales of Notes in some jurisdictions, which may also make Notes more difficult to obtain and the liquidity of the Notes may be adversely affected. Also, to the extent Notes of a particular issue are exercised, the number of Notes of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Notes of such issue. A decrease in the liquidity of an issue of Notes may cause, in turn, an increase in the volatility associated with the price of such issue of Notes.

Each of the Issuer and any Dealer may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private treaty. Any Notes so purchased may be held or resold or surrendered for cancellation. A Dealer may, but is not obliged to, be a market-maker for an issue of Notes. Even if a Dealer is a market-maker for an issue of Notes, the secondary market for such Notes may be limited. To the extent that an issue of Notes becomes illiquid, an investor may have to exercise such Notes to realise value.

Over-Issuance

As part of its issuing, market-making and/or trading arrangements, the Issuer may issue more Notes than those which are to be subscribed or purchased by third party investors. The Issuer (or any of its affiliates) may hold such Notes for the purpose of meeting any investor interest in the future. Prospective investors in the Notes should therefore not regard the issue size of any Series as indicative of the depth or liquidity of the market for such Series, or of the demand for such Series.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency specified in the applicable Pricing Supplement. 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 in respect of 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.

Market Value of Notes

The market value of an issue of Notes will be affected by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to:

- (i) the value and volatility of any relevant Reference Item(s);
- (ii) in the case of Credit Linked Notes, the creditworthiness of the specified entity or entities;
- (iii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iv) market interest and yield rates;
- (v) fluctuations in exchange rates;
- (vi) liquidity of the Notes or any Reference Item(s) in the secondary market;
- (vii) the time remaining to any redemption date or the maturity date;
- (viii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded.

The price at which a Noteholder will be able to sell any Notes prior to maturity may be at a discount, which could be substantial, to the market value of such Notes on the issue date, if, at such time, the market price of the Reference Item(s) (if any) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any Note.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer or to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market and additional factors discussed above that may affect the value of the Notes and as such should not be relied upon by investors when making an investment decision. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Risks relating to Notes denominated in Renminbi

The Renminbi is not freely convertible which may adversely affect the liquidity of the Notes

The Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies, including the Hong Kong dollar. However, there has been significant reduction by the PRC government of its control over trade transactions involving import and export of goods and services as well as routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system.

For further details in respect of remittance of Renminbi into and outside the PRC, see section of the Schedule entitled “Remittance of Renminbi into and outside the PRC”.

There is no assurance that the PRC government will continue gradually to liberalise the control over cross-border Renminbi remittances in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the People's Bank of China (PBoC) has entered into agreements (the **Settlement Arrangements**) on the clearing of Renminbi business with financial institutions (the **Renminbi Clearing Banks**) in a number of financial centres and cities, including but not limited to Hong Kong, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement

mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service the Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Renminbi currency risk

Except in limited circumstances, all payments of Renminbi under the Notes to an investor will be made solely by transfer to a Renminbi bank account maintained with a Hong Kong bank in accordance with the prevailing rules and regulations and in accordance with the Conditions. The Issuer cannot be required to make payment by any other means (including in bank notes or by transfer to a bank account in the PRC or anywhere else outside Hong Kong). In addition, there can be no assurance that access to Renminbi for the purposes of making payments under the Notes by the Issuer or generally may remain or will not become restricted. If it becomes impossible, or impractical, for it to satisfy its obligation to pay interest and principal on the Notes denominated in Renminbi as a result of a CNY Currency Event (as defined in the Conditions), or any Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended, any payment of Renminbi under the Notes may be delayed or the Issuer may make such payments in another currency selected by the Issuer using an exchange rate determined by the Calculation Agent, or the Issuer may need to redeem the Notes by making payment in another currency.

Renminbi exchange rate risk

The value of Renminbi against the U.S. dollar, Hong Kong dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political

and economic conditions and by many other factors. In addition, although the Issuer's primary obligation is to make all Renminbi payments of interest and principal or other amounts with respect to the Notes in Renminbi, in certain circumstances, and if so specified, the terms of the Notes allow the Issuer to delay any such payment and/or make payment in U.S. dollars, Hong Kong dollars or another specified currency at the prevailing spot rate of exchange, and/or cancel or redeem such Notes, all as provided for in more detail in the Notes (see Condition 4(g)). As a result, the value of such payments in Renminbi (in U.S. dollar, Hong Kong dollar or other applicable foreign currency terms) may vary with the changes in prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar, Hong Kong dollar or other foreign currencies, the value of a Noteholder's investment in U.S. dollars, Hong Kong dollars or other applicable foreign currency terms will decline.

Payments in Renminbi under the Notes will only be made to investors in the manner specified in the Notes

All Renminbi payments to investors in respect of the Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong, in accordance with the prevailing rules and regulations and in accordance with the terms and conditions of the Notes. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft, or by transfer to a bank account in the PRC or anywhere else outside Hong Kong).

Interest rate risk

The value of Renminbi payments under the Notes may be susceptible to interest rate fluctuations occurring within and outside the PRC, including PRC Renminbi Repo Rates and/or the Shanghai inter-bank offered rate (SHIBOR).

Gains on the transfer of the Notes denominated in Renminbi may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Notes denominated in Renminbi by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax (EIT) or PRC individual income tax (IIT) if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of Notes denominated in Renminbi but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident individual Holder from the transfer of Notes denominated in Renminbi.

However, uncertainty remains as to whether the gain realised from the transfer of Notes denominated in Renminbi by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and thus become subject to EIT or

IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if enterprise or individual resident Holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of Notes denominated in Renminbi, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual Holders of Notes denominated in Renminbi reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Notes denominated in Renminbi may be materially and adversely affected.

DOCUMENTS INCORPORATED BY REFERENCE

This Programme Document should be read and construed in conjunction with the following information, which has been previously published and filed with Euronext Dublin:

- (a) the following sections of the 2018 annual report and accounts of NatWest Markets (the **2018 Annual Report and Accounts of NatWest Markets**), which were published via the regulated news service of the London Stock Exchange plc (**RNS**) on 15 February 2019:
- (i) Strategic report on pages 1 to 9:
- Chief Executive's Statement on page 1;
 - Business overview on pages 1 to 2;
 - Presentation of information on page 3;
 - Performance overview on pages 3 to 6;
 - Board of directors and secretary page 7; and
 - Top and emerging risks on pages 8 to 9;
- (ii) Capital and risk management on pages 10 to 51:
- Presentation of information on page 10;
 - Risk management framework on pages 10 to 16;
 - Capital, liquidity and funding risk on pages 17 to 22;
 - Credit risk on pages 23 to 38;
 - Market risk on pages 39 to 44;
 - Pension risk on page 45;
 - Compliance & conduct risk on pages 45 to 46;
 - Financial crime on page 46;
 - Operational risk on pages 46 to 47;
 - Business risk on pages 47 to 48;
 - Report of the directors on pages 49 to 50; and
 - Statement of directors' responsibilities on page 51;

- (iii) Financial statements on pages 52 to 123:
- Independent auditor's report on pages 53 to 60;
 - Consolidated income statement for the year ended 31 December 2018 on page 61;
 - Consolidated statement of comprehensive income for the year ended 31 December 2018 on page 61;
 - Balance sheet as at 31 December 2018 on page 62;
 - Statement of changes in equity for the year ended 31 December 2018 on pages 63 to 64;
 - Cash flow statement for the year ended 31 December 2018 on page 65;
 - Accounting policies on pages 66 to 70; and
 - Notes on accounts on pages 71 to 123;
- (iv) Risk factors on pages 124 to 133; and
- (v) Forward looking statements on page 134;
- (b) the annual report and accounts of NatWest Markets (including the audited consolidated annual financial statements of NatWest Markets, together with the audit report thereon) for the financial year ended 31 December 2017, which were published via the RNS on 23 February 2018;
- (c) the announcement entitled "RBS welcomes credit ratings action by Fitch Ratings", which was published via the RNS on 14 December 2018;
- (d) the section headed "Terms and Conditions of the Notes" in the programme document dated 5 March 2018 relating to the Issuer's U.S.\$7,000,000,000 Structured Note Programme, in so far as such section relates to any Notes (if so specified in the applicable Pricing Supplement) (the **2018 Programme Document**);
- (e) the Annex to the supplement to the 2018 Programme Document dated 22 August 2018 (which amended the terms and conditions set out in the 2018 Programme Document in order to incorporate updated benchmark replacement provisions);
- (f) the section headed "Terms and Conditions of the Notes" in the programme document dated 23 November 2016 relating to the Issuer's U.S.\$7,000,000,000 Structured Note Programme, in so far as such section relates to any Notes (if so specified in the applicable Pricing Supplement);

- (g) the section headed “Terms and Conditions of the Notes” in the programme document dated 30 June 2015 relating to the Issuer’s U.S.\$7,000,000,000 Structured Note Programme, in so far as such section relates to any Notes (if so specified in the applicable Pricing Supplement); and
- (h) the section headed “Terms and Conditions of the Notes” in the programme document dated 3 April 2014 relating to the Issuer’s U.S.\$50,000,000,000 Structured Note Programme, in so far as such section relates to any Notes (if so specified in the applicable Pricing Supplement);
- (i) the section headed “Terms and Conditions of the Notes” in the programme document dated 20 March 2013 relating to the Issuer’s U.S.\$50,000,000,000 Structured Note Programme, in so far as such section relates to any Notes (if so specified in the applicable Pricing Supplement);
- (j) the section headed “Terms and Conditions of the Notes” in the prospectus dated 29 June 2012 relating to the Issuer’s U.S.\$50,000,000,000 Structured Note Programme, in so far as such section relates to any Notes (if so specified in the applicable Pricing Supplement);
- (k) the section headed “Terms and Conditions of the Notes” in the prospectus dated 24 February 2012 relating to the Issuer’s U.S.\$50,000,000,000 Structured Note Programme, in so far as such section relates to any Notes (if so specified in the applicable Pricing Supplement);
- (l) the section headed “Terms and Conditions of the Notes” in the prospectus dated 28 April 2011 relating to the Issuer’s U.S.\$50,000,000,000 Structured Note Programme, in so far as such section relates to any Notes (if so specified in the applicable Pricing Supplement);
- (m) the section headed “Terms and Conditions of the Notes” in the prospectus dated 27 April 2010 relating to the Issuer’s U.S.\$50,000,000,000 Structured Note Programme, in so far as such section relates to any Notes (if so specified in the applicable Pricing Supplement);
- (n) the section headed “Terms and Conditions of the Notes” in the prospectus dated 14 May 2009 relating to the Issuer’s U.S.\$50,000,000,000 Structured Note Programme, in so far as such section relates to any Notes (if so specified in the applicable Pricing Supplement) (the **2009 Prospectus**);
- (o) sections 2 to 6 (inclusive) of the supplement to the 2009 Prospectus dated 29 July 2009 (which sections amended the terms and conditions set out in the 2009 Prospectus in order to incorporate new asset terms); and
- (p) sub-sections (j) to (AA) inclusive of section 1 of the supplement to the 2009 Prospectus dated 29 January 2010 (which sub-sections amended the terms and

conditions set out in the 2009 Prospectus in order to incorporate provisions relating to CREST),

each of which shall be deemed to be incorporated in, and form part of, this Programme Document.

Where only certain sections of a document referred to above are incorporated by reference into this Programme Document, the parts of the document which are not incorporated by reference are either not relevant for prospective investors or are covered elsewhere in this Programme Document.

Any document which is incorporated by reference into any of the documents deemed to be incorporated by reference in, and form part of, this Programme Document shall not constitute a part of this Programme Document.

The Issuer will provide, without charge, to each person to whom a copy of this Programme Document has been delivered, upon the oral or written request of such person, a copy of any or all of the financial information which is incorporated herein by reference. Written or oral requests for such financial information should be directed to the Issuer at its principal office set out at the end of this Programme Document.

In addition, copies of documents incorporated by reference in this Programme Document will be available for viewing on the London Stock Exchange plc's website at <https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

The Issuer will, in the event of any significant change affecting any matter contained in this Programme Document, or a significant new matter arising, the inclusion of information in respect of which would have been so required if it had arisen at the time of preparation of the Programme Document, prepare or publish a new listing particulars for use in connection with any subsequent issue of Notes.

FORM OF THE 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 and Registered Notes will be issued outside the United States in reliance on Regulation S.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued as specified in the applicable Pricing Supplement in the form of either (a) a temporary global note (a **Temporary Global Note**) in bearer form, (b) a permanent global note (a **Permanent Global Note**) in bearer form, or (c) (in the case of Partly Paid Notes and if so specified in the applicable Pricing Supplement) an instalment global note (an **Instalment Global Note** and, together with any Temporary Global Notes and any Permanent Global Notes, each a **Global Note**) in bearer form, in any such case, without Receipts, Coupons or Talons (each as defined in “*Terms and Conditions of the Notes*” below), which, in any case, will:

- (i) if the Global Notes are intended to be cleared through the CMU Service, be delivered on or prior to the issue date for such Tranche to the sub-custodian for the CMU Service;
- (ii) if the Global Notes are intended to be issued in new global note (**NGN**) form, because they are intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear and Clearstream, Luxembourg; and
- (iii) if the Global Notes are intended to be issued in classic global note (**CGN**) form, be delivered on or prior to the issue date for such Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Delivering the Global Notes to the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during the life of such Global Note. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

If the Global Note is issued in CGN form, upon the initial deposit of a Global Note with the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is issued in NGN form, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the 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.

Whilst any Bearer Note is represented by a Temporary Global Note, payments of principal and interest (if any) and any other amounts payable in respect of the Notes due prior to the end of the Distribution Compliance Period (as defined below) will be made (against presentation of the Temporary Global Note, if the Temporary Global Note is intended to be issued in CGN form) outside the United States and its possessions only to the extent that certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations (in the form referred to in the Temporary Global Note) has been received by Euroclear and/or Clearstream, Luxembourg, or the CMU Service, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

In the case of a Tranche of Bearer Notes initially represented by a Temporary Global Note, on and after the expiry of the period (the **Distribution Compliance Period**) beginning on the date on which the Temporary Global Note is issued and ending 40 days thereafter, interests in the Temporary Global Note will be exchangeable (provided that, if it is a Partly Paid Note, all instalments of the subscription moneys have been paid), free of charge, as specified in the applicable Pricing Supplement either for interests in a Permanent Global Note or for definitive Bearer Notes with, where applicable, Receipts, Coupons and Talons attached, in each case against certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations in accordance with the terms set out in the Temporary Global Note, unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to receive any payment of interest, principal or other amounts due on or after the end of the Distribution Compliance Period unless, upon due certification, exchange of the Temporary Global Note for interests in a Permanent Global Note or for definitive Bearer Notes is improperly withheld or refused. Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*" below) the Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned a common code and an ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series of Notes and shall remain different until at least 40 days after the completion of the distribution of the Notes of such further Tranche as certified by the Agent to the relevant Dealer(s).

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg or the CMU Service (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is intended to be issued in CGN form) outside the United States and its possessions without any requirement for certification.

Exchange of Global Notes

A Permanent Global Note will be exchangeable free of charge, in whole or (subject to the Bearer Notes which continue to be represented by the Permanent Global Note being regarded by Euroclear and Clearstream, Luxembourg or the CMU Service as fungible with the definitive Bearer Notes issued in partial exchange for such Permanent Global Note) in part, for definitive Bearer Notes with, where applicable, Receipts, Coupons and Talons attached, upon not less than 60 days' written notice from, in the case of (i) or (ii) below, Euroclear and/or Clearstream, Luxembourg or the CMU Service (acting on the instructions of

any holder of an interest in such Permanent Global Note) or the Trustee to the Agent or, in the case of (iii) below, the Issuer, to the Agent and the Noteholders, in each case as described therein, at the cost and expense of the Issuer and only in the following circumstances specified in the applicable Pricing Supplement (if “limited circumstances” are so specified then only (i) and (ii) below shall apply and if “at any time” is so specified then only (iii) below shall apply): (i) the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or the CMU Service and either such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available, or (ii) an Event of Default (as defined in the Trust Deed) occurs and is continuing in relation to the Notes represented by the Permanent Global Note, or (iii) at the option of the Issuer at any time.

An Instalment Global Note will be exchangeable (upon payment by the bearer thereof of all, or in preparation of the next or final instalment of, the Issue Price in respect of the Notes represented thereby in accordance with the terms thereof) for interests in a further Instalment Global Note (which may (in accordance with the terms thereof) in turn be exchanged for (a) further Instalment Global Note(s) or (b) definitive Bearer Notes) or definitive Bearer Notes (all as indicated in the applicable Pricing Supplement). The forms of any such Instalment Global Note(s) shall be attached to the applicable Pricing Supplement.

Global Notes and definitive Bearer Notes will be issued pursuant to the Agency Agreement and the Trust Deed. No definitive Bearer Note delivered in exchange for a Permanent Global Note will be mailed or otherwise delivered to any location in the United States in connection with such exchange. At the date hereof, none of Euroclear, Clearstream, Luxembourg or the CMU Service regard Notes in global form as fungible with Notes in definitive form. Temporary Global Notes, Permanent Global Notes and definitive Bearer Notes will be authenticated and delivered by the Agent on behalf of the Issuer.

Legends

The following legend will appear on all Bearer Notes which are issued in accordance with TEFRA D and on all Receipts, Coupons and Talons relating to such Notes:

“ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE.”

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

Registered Notes

Registered Notes (other than Registered Notes cleared through CREST) of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global registered certificate (a **Global Certificate**). Prior to expiry of the Distribution Compliance Period applicable to each Tranche of Notes, beneficial interests in a Global Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in the Conditions and may not be held otherwise than through Euroclear or Clearstream, Luxembourg or the CMU Service and such Global Certificate will bear a legend regarding such restrictions on transfer.

Global Certificates will be deposited with, and registered in the name of a nominee for, a common depository for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU Service, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Notes represented by a Global Certificate will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

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

Payments of interest in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in the Conditions) immediately preceding the due date for payment in the manner provided in the Conditions.

Interests in Notes represented by a Global Certificate will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have or the CMU Service has (as the case may be) been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available (ii) an Event of Default has occurred and continuing, or (iii) the Issuer elects at any time. The Issuer will promptly give notice to Noteholders in accordance with Condition 23 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or the CMU Service (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii)

above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in Notes represented by a Global Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in Notes represented by another Global Certificate. No beneficial owner of an interest in a Global Certificate will be able to transfer such interest, except in accordance with the applicable procedures of the CMU Service, Euroclear and Clearstream, Luxembourg, in each case, to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CINS number which are different from the common code, ISIN and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

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

For so long as a Global Note or Global Certificate is cleared through the CMU Service, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in accordance with the CMU Rules as notified by the CMU Service to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be the only person(s) entitled (in the case of Registered Notes,

directed or deemed by the CMU Service as entitled) to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU Service in respect of each amount so paid. All payments in respect of the Global Note or Global Certificate by the Issuer will be made through the CMU Lodging and Paying Agent to the persons so notified to it by the CMU Service in accordance with the CMU Rules.

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

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

Any reference herein to Euroclear and/or Clearstream, Luxembourg or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system (other than CREST) approved by the Issuer, the Agent and the Trustee.

Registered Notes cleared through CREST will be issued pursuant to the Registry Services Agreement (as defined under "*Terms and Conditions of the Notes*" below) in dematerialised and uncertificated form.

Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement for each Tranche of Notes which will contain such of the following information (which may be modified in relation to any particular issue of Notes by agreement between the Issuer, the Agent and the relevant Dealer(s)) as is applicable in respect of such Notes:

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

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended,)]**MiFID II**]; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"/[capital markets products other than "prescribed capital markets products"]] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ["Excluded Investment Products"/["Specified Investment Products"]] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Pricing Supplement dated [●]

NatWest Markets Plc
*(Incorporated in Scotland with limited liability under the
Companies Acts 1948 to 1980, registered number SC090312)*

[Description of Notes]

[Issue Price: [•] per cent.]

U.S.\$7,000,000,000

Structured Note Programme

The Programme Document referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Prospective investors are notified that neither the Issuer nor any Dealer is required under the Prospective Directive to prepare or publish a prospectus in respect of the Notes in accordance with the Prospectus Directive.

The distribution of this document and the offer of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Pricing Supplement come are required by the Issuer to inform themselves about and to observe any such restrictions. Details of selling restrictions for various jurisdictions are set out in "Subscription and Sale" in the Programme Document. In particular, the Notes have not been, and will not be, registered under the US Securities Act of 1933, as amended, and are subject to US tax law requirements. Trading in the Notes has not been approved by the US Commodity Futures Trading Commission under the US Commodity Exchange Act of 1936, as amended. Subject to certain exceptions, the Notes may not at any time be offered, sold or delivered in the United States or to US persons, nor may any US persons at any time trade or maintain a position in such Notes. See "Subscription and Sale" in the Programme Document.

PART A – CONTRACTUAL TERMS

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 Programme Document dated 22 February 2019 as supplemented at the date hereof. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Programme Document as supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Programme Document. The Programme Document is available for viewing at [•] [[and] during normal business hours at [•] [and copies may be obtained from [•]].]

[The following alternative language applies if (i) the first Tranche of an issue which is being increased was issued under or (ii) the offering of a Series of Notes was conducted under, a Programme Document or Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the [Prospectus dated [14 May 2009 as supplemented by the supplemental prospectus dated 29 July 2009 [and supplemental prospectus dated 29 January 2010]]/[27 April 2010]/[28 April 2011]/[24 February 2012]/[29 June 2012]] [Programme Document dated [20 March 2013]/[3 April 2014]/[30 June 2015]/[23 November 2016]/[5 March 2018]/[5 March 2018 as supplemented by the supplement dated 22 August 2018]] (which are incorporated by reference in the Programme Document (defined below)) (the **Conditions**). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Programme Document dated 22 February 2019 as supplemented on [•] (the **Programme Document**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Programme Document. The Programme Document is available for viewing at [•] [[and] during normal business hours at [•] [and copies may be obtained from [•]].]

[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 subparagraphs. Italics denote directions for completing the Pricing Supplement.]

[Modified Following Business Day Convention (Adjusted) and Actual/365 (Fixed) Day Count Fraction applies to Notes denominated in Renminbi, where applicable.]

1. Issuer: NatWest Markets Plc

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: [•]

[CNY Currency Event]

[Relevant Currency: USD/HKD/[other]]

(N.B. CNY Currency Event and Relevant Currency applies to Notes denominated in Renminbi)

4. Aggregate Nominal Amount:

[(i)] Series: [•]

[(ii)] Tranche: [•]

5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*] *(Required only for listed issues – check with relevant stock exchange)*

6. (i) Specified Denominations: [•]

(in the case of Registered (Note – where Bearer Notes with multiple Notes, this means the denominations above €100,000 or equivalent are minimum integral amount in being used the following sample wording should which transfers can be followed: made)

“€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.”

[Not relevant if Notes are being issued in registered form]

(ii) Calculation Amount: *(If only one Specified Denomination, insert the Specified Denomination. (Applicable to Notes in*

definitive form)

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

7. (i) Issue Date: [•]

(ii) Interest Commencement [•]
Date:

8. Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year] (the **Scheduled Maturity Date**) [N.B. Care must be taken to ensure that if the Notes are Index Linked, Equity Linked, Currency Linked, Commodity Linked, Government Bond Linked, Fund Linked, Inflation Index Linked, Certificate Linked or otherwise involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Conditions of such Notes, the Maturity Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the Final Averaging Date, as the case may be].*

9. Interest/Payment Basis: [[•] per cent. Fixed Rate]
[[LIBOR/EURIBOR/SONIA] +/- [•] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Equity Linked Interest]
[Currency Linked Interest]
[Commodity Linked Interest]

[Government Bond Linked Interest]

[Fund Linked Interest]

[Inflation Index Linked Interest]

[Certificate Linked Interest]

[Non-interest bearing]
[specify other]

(further particulars specified below)

10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Equity Linked Redemption]
[Credit Linked]
[Currency Linked Redemption]
[Commodity Linked Redemption]
[Government Bond Linked Redemption]

[Fund Linked Redemption]

[Inflation Index Linked Redemption]

[Certificate Linked Redemption]
[Partly Paid]
[Instalment]
[specify other]

11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*

12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]

13. Status of the Notes: Senior

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

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semi-

annually/quarterly/monthly/ (specify)] in arrear]

- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [Following Business Day Convention (Adjusted)/Following Business Day Convention (Unadjusted)/Modified Following Business Day Convention (Adjusted)/Modified Following Business Day Convention (Unadjusted)/Preceding Business Day Convention (Adjusted)/ Preceding Business Day Convention (Unadjusted)/other (give details)/not adjusted]

(NB: For the Business Day Convention to apply to the interest accrual periods specify “(Adjusted)” after the elected Business Day Convention. For the Business Day Convention to apply only to the Payment Dates and not apply to the interest accrual periods specify “(Unadjusted)” after the elected Business Day Convention.)

- (iii) Additional Business Centre(s): [•]

(NB: only relevant where Business Day Convention is applicable)

(NB: If London is required to be open please specify London as a Business Centre above)

- (iv) Fixed Coupon Amount[(s)]: [•] per Calculation Amount

(Applicable to Notes in definitive form)

- (v) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling in/on [•]
(Applicable to Notes in definitive form)

- (vi) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA)]

specify other]

(vii) Determination Date(s): [•] in each year [*Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates*] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))

(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]

16. Floating Rate Note Provisions [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph. Also consider whether LIBOR, EURIBOR or SONIA is the appropriate reference rate)

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

(ii) First Interest Payment Date: [•]

(iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention (Adjusted)/Following Business Day Convention (Unadjusted)/Modified Following Business Day Convention (Adjusted)/Modified Following Business Day Convention (Unadjusted)/Preceding Business Day Convention (Adjusted)/ Preceding Business Day Convention (Unadjusted)/other (*give details*)]

(NB: For the Business Day Convention to apply to the interest accrual periods specify “(Adjusted)” after the elected Business Day Convention. For the Business Day Convention to apply only to the Payment Dates and not apply to the interest accrual periods specify “(Unadjusted)” after the elected Business Day Convention.)

- (iv) Additional Business Centre(s): [•]
(NB: If London is required to be open please specify London as a Business Centre above)
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vi) Party responsible for calculating the Interest Amount(s) (if not the Agent or, as the case may be, the Registrar): [•]
- (vii) Screen Rate Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate: [•]
(Either LIBOR, EURIBOR, SONIA or other, although additional information is required if other - including fallback provisions in the Agency Agreement)
- Interest Determination Date(s): [•]
(Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the date falling "p" London Banking Days prior to the start of each Interest Period if SONIA, the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen [•]

- Page: *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- Observation Look- back Period: /Not Applicable
("p" London Banking Days)
 - (viii) ISDA Determination: Applicable/Not Applicable
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - Floating Rate Option:
 - Designated Maturity:
 - Reset Date:
 - ISDA Benchmarks Supplement: Applicable/Not Applicable
 - (ix) Margin(s): +/- per cent. per annum
 - (x) Minimum Rate of Interest: per cent. per annum
 - (xi) Maximum Rate of Interest: per cent. per annum
 - (xii) Day Count Fraction: Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis *specify other]*
(See Condition 3(c) for alternatives)

- (xiii) 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:

17. Zero Coupon Note Provisions [Applicable/Not Applicable]

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

- (i) Any other formula/basis of [•]
determining amount
payable:

- (ii) Day Count Fraction in [Condition 5(i) applies/specify other]
relation to late payment:

*(Consider applicable day count fraction if not
U.S. dollar denominated)*

18. Index Linked Interest Note Provisions [Applicable/Not Applicable]

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

- (i) Provisions for determining [Give or annex details]
Rate of Interest and/or
Interest Amount:

- (ii) Whether the Notes relate to [Basket of Indices/Single Index]
a basket of indices or a single [(Give or annex details)]
index, the identity of the [Details of each Index Sponsor]
relevant Index/Indices and
details of the relevant index Multi-Exchange Index [Yes/No]
sponsors and whether such
Index/Indices are a Multi- [The X Percentage [applies/does not apply] in
Exchange Index: relation to such Index]

- (iii) Exchange(s): [•]
- (iv) Related Exchange(s): [[•]/All Exchanges]
- (v) [Valuation Date/Averaging Dates]: [•]
 [Adjustment provisions in the event of a Disrupted Postponement Day: [Omission/Postponement/Modified Day:
(NB: only applicable where Averaging Dates are specified)
- [Reference Price: [Condition 7(c) applies/other]
(NB: if fallback set out in the definition of "Valuation Date" in Condition 7(c) does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)
- (vi) [Relevant Time/Valuation Time]: [Condition 7 applies/other]
- (vii) Strike Price: [•]
- (viii) Trade Date: [•]
- (ix) Correction of Index Levels: Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].
(If Correction of Index Levels does not apply, delete the following sub-paragraph)
- [Correction Cut-Off Date: [[•] Business Days prior to the relevant Specified Interest Payment Date/In relation to Averaging Dates other than the final Averaging Dates, [•]

days after the relevant Averaging Date and in relation to the final Averaging Date, [•] Business Days prior to the relevant Specified Interest Payment Date]].

(Repeat as necessary where there are more Indices or insert a table)

(x) Party responsible for [•] calculating the Interest Amount(s) (if not the Agent or, as the case may be, the Registrar):

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

[N.B. Care must be taken to ensure that each Specified Interest Payment Date is postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the Final Averaging Date, as the case may be, in respect of each such Specified Interest Payment Date].

(xii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention (Adjusted)/Following Business Day Convention (Unadjusted)/Modified Following Business Day Convention (Adjusted)/Modified Following Business Day Convention (Unadjusted)/Preceding Business Day Convention (Adjusted)/ Preceding Business Day Convention (Unadjusted)/other (*give details*)]

(NB: For the Business Day Convention to apply to the interest accrual periods specify “(Adjusted)” after the elected Business Day Convention. For the Business Day Convention to apply only to the Payment Dates and not apply to the interest accrual periods specify “(Unadjusted)” after the elected Business Day Convention.)

- (xiii) Additional Business Centre(s): [•]
(NB: If London is required to be open please specify London as a Business Centre above)
- (xiv) Minimum Rate of Interest: [•] per cent. per annum
- (xv) Maximum Rate of Interest: [•] per cent. per annum
- (xvi) Day Count Fraction: [•]
- (xvii) Additional Disruption Events: See paragraph 39
- (xviii) Other terms or special conditions: [•]

19. Equity Linked Interest Note Provisions [Applicable/Not Applicable]

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

- (i) Provisions for determining Rate of Interest and/or Interest Amount: *[Give or annex details]*
- (ii) Whether the Notes relate to a basket of Underlying Equities or a single Underlying Equity and the identity of the relevant issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity]
[Give or annex details of each Underlying Equity and each Equity Issuer. For GEM listed trades, note that any Underlying Equity must be traded on a regulated, regularly operating, recognised open market]
- (iii) Exchange Traded Fund: [Applicable][Not Applicable]
[(further particulars specified below)]
- (iv) [Valuation Date/Averaging [•]

Dates]:

[Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]

(NB: only applicable where Averaging Dates are specified)]

Reference Price: [Condition 8(e) applies/other]

(NB: if fallback set out in the definition of "Valuation Date" in Condition 8(e) does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date (or Scheduled Averaging Date, as the case may be) is a Disrupted Day)

(v) Valuation Time: [Condition 8(e) applies/other]

(vi) Exchange: [•]

(vii) Related Exchange(s): [[•]/All Exchanges]

(viii) Potential Adjustment Events: [Applicable/Not Applicable]

(ix) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]

(x) Tender Offer: [Applicable/Not Applicable]

(xi) Equity Substitution: [*Delete paragraph if applicable*]/[Not Applicable]

(xii) Correction of Underlying Equity Prices: Correction of Underlying Equity Prices [applies/does not apply and the Reference Price shall be calculated without regard to any

subsequently published correction].

(If Correction of Underlying Equity Prices does not apply, delete the following sub-paragraph)

[Correction Cut-Off Date: [[•] Business Days prior to each Specified Interest Payment Date.]

(xiii) Strike Price: [•]

(xiv) Exchange Rate: [Applicable/Not Applicable]

[Insert details]

(Repeat as necessary where there are more Underlying Equities or insert a table)

(xv) Trade Date: [•]

(xvi) Party responsible for calculating the Interest Amount(s) (if not the Agent or, as the case may be, the Registrar): [•]

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

(xviii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention (Adjusted)/Following Business Day Convention (Unadjusted)/Modified Following Business Day Convention (Adjusted)/Modified Following Business Day Convention (Unadjusted)/Preceding Business Day Convention (Adjusted)/ Preceding Business Day Convention (Unadjusted)/other *(give details)*]

(NB: For the Business Day Convention to apply to the interest accrual periods specify

“(Adjusted)” after the elected Business Day Convention. For the Business Day Convention to apply only to the Payment Dates and not apply to the interest accrual periods specify “(Unadjusted)” after the elected Business Day Convention.)

(xix) Additional Business Centre(s): [•]

(NB: If London is required to be open please specify London as a Business Centre above)

(xx) Minimum Rate of Interest: [•]

(xxi) Maximum Rate of Interest: [•]

(xxii) Day Count Fraction: [•]

(xxiii) Additional Disruption Events: See paragraph 39

(xxiv) Other terms or special conditions: [•]

[Exchange Traded Fund Particulars:
(delete entire section if Exchange Traded Fund is specified to be “Not Applicable”)]

Exchange Traded Fund Business Day Jurisdictions(s): [•]

Replacement Exchange Traded Fund: [Applicable][Not Applicable]

Suspension Asset: [Applicable][Not Applicable]

20. Commodity Linked Interest Note [Applicable/Not Applicable]
Provisions

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

- (i) Provisions for determining [Give or annex details]
Rate of Interest and/or
Interest Amount:

- (ii) Whether the Notes relate to [Basket of Commodities/Single Commodity]
a basket of Commodities on [Give or annex details]
a single Commodity and
identity of the relevant
commodity(ies):

- (iii) [Valuation Date/Averaging [•]
Dates]:

- (iv) Strike Date: [•]

- (v) Commodity: [•]

- (vi) Information Source: [•]

- (vii) Commodity Reference Price: [•]/[The Specified Price as published by the Price
Source]/[Commodity Reference Dealers]

- (viii) Correction of Commodity [Applicable/Not Applicable]
Reference Price:

- (ix) Price Materiality Percentage: [[•]/Not Applicable]

- (x) Exchange: [•]

- (xi) Futures Contract: [•]

- (xii) Delivery Date: [[•]/[•] Nearby Month]

- (xiii) Price Source: [•]
- (xiv) Specified Price: [(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 fixing; (O) the spot price; or (P) *[Other – please specify]*]
- (xv) Market Disruption Event: [Price Source Disruption]
 [Trading Disruption]
 [Disappearance of Commodity Reference Price]
 [Material Change in Formula]
 [Material Change in Content]
 [Tax Disruption]
 [Other – *Please specify*]
- (xvi) Reference Dealers: [[•]/The Calculation Agent]

(Repeat as necessary where there are more Commodities or insert a table)

- (xvii) Trade Date: [•]
- (xviii) Party responsible for calculating the Interest Amount(s) (if not the Agent or, as the case may be, the Registrar): [•]
[N.B. Care must be taken to ensure that each Specified Interest Payment Date is postponed and cannot occur prior to an acceptable period before the last occurring Commodity Valuation Date, as the case may be, in respect of each such Specified Interest Payment Date]

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

(xx) Business Day Convention: [Floating Rate Convention/Following Business Day Convention (Adjusted)/Following Business Day Convention (Unadjusted)/Modified Following Business Day Convention (Adjusted)/Modified Following Business Day Convention (Unadjusted)/Preceding Business Day Convention (Adjusted)/ Preceding Business Day Convention (Unadjusted)/other (*give details*)]

(NB: For the Business Day Convention to apply to the interest accrual periods specify “(Adjusted)” after the elected Business Day Convention. For the Business Day Convention to apply only to the Payment Dates and not apply to the interest accrual periods specify “(Unadjusted)” after the elected Business Day Convention.)

(xxi) Additional Business [•]
Centre(s):

(NB: If London is required to be open please specify London as a Business Centre above)

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

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

(xxiv) Day Count Fraction: [•]

(xxv) Additional Disruption See paragraph 39
Events:

(xxvi) Other terms or special [•]
conditions:

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

(If not applicable, delete the remaining sub-

paragraphs of this paragraph)

- (i) Relevant Currency(ies):
- (ii) Provisions for determining *[Give or annex details]*
Rate of Interest and/or
Interest Amount:
- Currency Exchange Rate(s): [spot currency exchange rate] [currency exchange rate] [•] expressed as the amount of *[insert currency]* per one *[insert currency]* which appears on the Screen Page
- Valuation Date: [Not Applicable/[•]]
- Averaging Date(s): [Not Applicable/[•]]
- Observation Date(s): [Not Applicable/[•]]
- Valuation Time: [•]
- Screen Page: [•] [Bloomberg Code:[•]
◀Currency▶][or]
- [Reuters RIC Code: [•]]**
- (Repeat as necessary where there are more than one Currency Exchange Rate or insert a table)*
- (iii) Trade Date: [•]
- (iv) Party responsible for [•]
calculating the Rate of
Interest and/or Interest
Amount(s) (if not the Agent
or, as the case may be, the
Registrar):
- (v) Specified Period(s)/Specified [•]
Interest Payment Dates:
- (vi) Business Day Conventions: [Floating Rate Convention/Following Business Day Convention (Adjusted)/Following Business

Day Convention (Unadjusted)/Modified Following Business Day Convention (Adjusted)/Modified Following Business Day Convention (Unadjusted)/Preceding Business Day Convention (Adjusted)/ Preceding Business Day Convention (Unadjusted)/other (give details)]

(NB: For the Business Day Convention to apply to the interest accrual periods specify “(Adjusted)” after the elected Business Day Convention. For the Business Day Convention to apply only to the Payment Dates and not apply to the interest accrual periods specify “(Unadjusted)” after the elected Business Day Convention.)

- (vii) Additional Business Centre(s): [•]
- (viii) Minimum Rate of Interest: [•] per cent. per annum
- (ix) Maximum Rate of Interest: [•] per cent. per annum
- (x) Day Count Fraction: [•]
- (xi) Additional Disruption Events: See paragraph 39
- (xii) Other terms or special conditions: [•]

22. Government Bond Linked Interest [Applicable/Not Applicable]
Note Provisions

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

- (i) Provisions for determining Rate of Interest and/or Interest Amount: [Give or annex details]
- (ii) Whether the Notes relate to [Basket of Government Bonds/Single

a basket of Government Bonds or a single Government Bond and identity of the relevant Government Bond(s) and/or related Reference Asset(s) (if any):

(iii) [Valuation Date/Averaging Dates]: [•]

(iv) Information Source: [•]

(v) Exchange: [•]

(vi) [Contract][specify details of related futures contract (if any)]: [•]

(Repeat as necessary where there are more Government Bonds or insert a table)

(vii) Trade Date: [•]

(viii) Party responsible for calculating the Interest Amount(s) (if not the Agent or, as the case may be, the Registrar): [•]

[N.B. Care must be taken to ensure that each Specified Interest Payment Date is postponed and cannot occur prior to an acceptable period before the last occurring Government Bond Valuation Date, as the case may be, in respect of each such Specified Interest Payment Date]

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

(x) Business Day Convention: [Floating Rate Convention/Following Business Day Convention (Adjusted)/Following Business Day Convention (Unadjusted)/Modified Following Business Day Convention]

(Adjusted)/Modified Following Business Day Convention (Unadjusted)/Preceding Business Day Convention (Adjusted)/ Preceding Business Day Convention (Unadjusted)/other (*give details*)

(NB: For the Business Day Convention to apply to the interest accrual periods specify “(Adjusted)” after the elected Business Day Convention. For the Business Day Convention to apply only to the Payment Dates and not apply to the interest accrual periods specify “(Unadjusted)” after the elected Business Day Convention.)

(xi) Additional Business Centre(s): [•]

(NB: If London is required to be open please specify London as a Business Centre above)

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

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

(xiv) Day Count Fraction: [•]

(xv) Additional Disruption Events: See paragraph 39

(xvi) Other terms or special conditions: [•]

23. Fund Linked Interest Note Provisions [Applicable/Not Applicable]

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

(i) Provisions for determining Rate of Interest and/or Interest Amount: *[Give or annex details]*

(ii) Whether the Notes relate to a basket of Funds or a single [Basket of Funds/Single Fund] *[Give or annex details]*

Fund and identity of the *details*
relevant Fund(s):

(iii) [Valuation Date/Averaging [•]
Dates]:

(iv) Information Source: [•]

(v) [Replacement Fund:] [Applicable/Not Applicable]

(vi) [Suspension Asset:] [Applicable/Not Applicable]

(vii) Effective Date: [•]

*(Repeat as necessary where there
are more Funds or insert a table)*

(viii) Trade Date: [•]

(ix) Party responsible for [•]
calculating the Interest
Amount(s) (if not the Agent **[N.B. Care must be taken to ensure that each
Specified Interest Payment Date is postponed
or, as the case may be, the Registrar):** **and cannot occur prior to an acceptable period
before the last occurring Fund Valuation Date,
as the case may be, in respect of each such
Specified Interest Payment Date]**

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

(xi) Business Day Convention: [Floating Rate Convention/Following Business
Day Convention (Adjusted)/Following Business
Day Convention (Unadjusted)/Modified
Following Business Day Convention
(Adjusted)/Modified Following Business Day
Convention (Unadjusted)/Preceding Business
Day Convention (Adjusted)/ Preceding Business
Day Convention (Unadjusted)/other (*give
details*)]

(NB: For the Business Day Convention to apply to the interest accrual periods specify “(Adjusted)” after the elected Business Day Convention. For the Business Day Convention to apply only to the Payment Dates and not apply to the interest accrual periods specify “(Unadjusted)” after the elected Business Day Convention.)

(xii) Additional Business Centre(s): [•]

(NB: If London is required to be open please specify London as a Business Centre above)

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

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

(xv) Day Count Fraction: [•]

(xvi) Additional Disruption Events: See paragraph 39

(xvii) Other terms or special conditions: [•]

24. Inflation Index Linked Interest Note Provisions [Applicable/Not Applicable]

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

(i) Provisions for determining Rate of Interest and/or Interest Amount: [Give or annex details]

(ii) Whether the Notes relate to a basket of Inflation Indices or a single Inflation Index and identity of the relevant Inflation Index/Indices: [Basket of Inflation Indices/Single Inflation Index] [Give or annex details]

(iii) [Valuation Date/Averaging [•]
Dates]:

(iv) Information Source: [•]

(v) Inflation Fixing Months: [•]

*(Repeat as necessary where
there are more Inflation
Indices or insert a table)*

(vi) Trade Date: [•]

(vii) Party responsible for [•]
calculating the Interest
Amount(s) (if not the Agent **[N.B. Care must be taken to ensure that each
Specified Interest Payment Date is postponed
and cannot occur prior to an acceptable period
before the last occurring Inflation Index
Valuation Date, as the case may be, in respect
of each such Specified Interest Payment Date]**
or, as the case may be, the
Registrar):

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

(ix) Business Day Convention: [Floating Rate Convention/Following Business
Day Convention (Adjusted)/Following Business
Day Convention (Unadjusted)/Modified
Following Business Day Convention
(Adjusted)/Modified Following Business Day
Convention (Unadjusted)/Preceding Business
Day Convention (Adjusted)/ Preceding Business
Day Convention (Unadjusted)/other *(give
details)*]

*(NB: For the Business Day Convention to apply to
the interest accrual periods specify “(Adjusted)”
after the elected Business Day Convention. For
the Business Day Convention to apply only to the
Payment Dates and not apply to the interest
accrual periods specify “(Unadjusted)” after the*

elected Business Day Convention.)

- (x) Additional Business Centre(s): [•]
(NB: If London is required to be open please specify London as a Business Centre above)
- (xi) Minimum Rate of Interest: [•] per cent. per annum
- (xii) Maximum Rate of Interest: [•] per cent. per annum
- (xiii) Day Count Fraction: [•]
- (xiv) Additional Disruption Events: See paragraph 39
- (xv) Other terms or special conditions: [•]

25. Certificate Linked Interest Note Provisions [Applicable/Not Applicable]

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

- (i) Provisions for determining Rate of Interest and/or Interest Amount: *[Give or annex details]*
- (ii) Whether the Notes relate to a basket of Certificates or a single Certificate and identity of the relevant Certificate(s): *[Basket of Certificates/Single Certificate] [Give or annex details]*
- (iii) [Valuation Date/Averaging Dates]: [•]
- (iv) Information Source: [•]

(Repeat as necessary where there are more Certificates or insert a table)

- (v) Trade Date: [•]
- (vi) Party responsible for calculating the Interest Amount(s) (if not the Agent or, as the case may be, the Registrar): [•]
[N.B. Care must be taken to ensure that each Specified Interest Payment Date is postponed and cannot occur prior to an acceptable period before the last occurring Certificate Valuation Date, as the case may be, in respect of each such Specified Interest Payment Date]
- (vii) Specified Period(s)/Specified Interest Payment Dates: [•]
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention (Adjusted)/Following Business Day Convention (Unadjusted)/Modified Following Business Day Convention (Adjusted)/Modified Following Business Day Convention (Unadjusted)/Preceding Business Day Convention (Adjusted)/ Preceding Business Day Convention (Unadjusted)/other (*give details*)]

(NB: For the Business Day Convention to apply to the interest accrual periods specify “(Adjusted)” after the elected Business Day Convention. For the Business Day Convention to apply only to the Payment Dates and not apply to the interest accrual periods specify “(Unadjusted)” after the elected Business Day Convention.)
- (ix) Additional Business Centre(s): [•]

(NB: If London is required to be open please specify London as a Business Centre above)

- (x) Minimum Rate of Interest: [•] per cent. per annum
- (xi) Maximum Rate of Interest: [•] per cent. per annum
- (xii) Day Count Fraction: [•]
- (xiii) Additional Disruption Events: See paragraph 39
- (xiv) Other terms or special conditions: [•]

PROVISIONS RELATING TO REDEMPTION

26. Call Option [Applicable/Not Applicable]

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

- (i) Issuer Optional Redemption [•]
Date(s):
- (ii) Issuer Optional Redemption [•] per Calculation Amount
Amount(s) and method, if any, of calculation of such amount(s): *(Consideration to be given to accrued interest)*
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [•]
 - (b) Maximum Redemption Amount: [•]
- (iv) Notice period (if other than [•])

as set out in the Conditions): *(NB: If setting notice periods which are different to those provided in the 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 Agent or Trustee)*

27. Put Option

[Applicable/Not Applicable]

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

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

(ii) Noteholder Optional [•] per Calculation Amount
Redemption Amount(s) and
method, if any, of calculation
of such amount(s):

(iii) Notice period (if other than [•]
as set out in the Conditions):

(NB: If setting notice periods which are different to those provided in the 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 Agent or Trustee)

28. Final Redemption Amount

[[•] per Calculation Amount/specify other/Not Applicable]

(Where Notes are Index Linked Redemption Notes, Equity Linked Redemption Notes, Credit Linked Notes, Currency Linked Notes, Commodity Linked Redemption Notes Government Bond Linked Redemption Notes, Fund Linked Redemption Notes, Inflation Index Linked Redemption Notes or Certificate Linked

Redemption Notes or specify "Not Applicable" and complete Item 30, 31, 32, 33, 34, 35, 36, 37 or, 38 below as applicable)

29. Early Redemption Amount

- (i) Early Redemption Amount(s) [As set out in Condition 5(e)] payable on redemption following (a) the occurrence of an event of default or (b) illegality or (c) taxation or (d) in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 7(b)(ii)(b) or (e) in the case of Equity Linked Notes, following certain corporate events in accordance with Condition 8(b)(ii)(B) or (f) in the case of Credit Linked Notes, following a Merger Event (if applicable) or a Constraint Event (if Condition 10(w)(1)(ii) applies; see paragraph 32(ii)(b) below), and/or the method of calculating the same (if required or if different from that set out in Condition 5(e)) or (h) in the case of Commodity Linked Notes, following a Market Disruption Event in accordance with Condition 11(b)(i) or (h) in the case of Government Bond Linked Notes, following a Market Disruption Event in accordance with Condition 12(b)(i) or (i) in the case of Fund Linked Notes, following the occurrence of a Trigger Event, a Potential Trigger
- OR
- [[•] per Calculation Amount [less the cost to the Issuer and/or its Affiliates of unwinding or adjusting any underlying or related hedging arrangements in respect of the Notes]]
- OR
- [in respect of Credit Linked Notes: Condition 5(e) shall apply and for the purposes of calculating the fair market value of the principal amount of the Notes equal to the Calculation Amount the Calculation Agent shall take into account Unwind Costs (as defined in Condition 10), provided that the cost of breaking any deposit shall not be taken into account where the Early Redemption Amount is payable as a result of an Event of Default by the Issuer.
- OR
- [Specify other]

Event, an Insolvency or a Merger Event in accordance with Condition 13(b)(i) or (j) in the case of Inflation Index Linked Notes, following modification, alteration or discontinuance of the relevant Inflation Index in accordance with Condition 14(b)(i) or (k) in the case of Certificate Linked Notes, following a Market Disruption Event in accordance with Condition 15(b)(i) or (l) following an Additional Disruption Event (if applicable) in accordance with Condition 16(b)(ii):

- (ii) Early Redemption Amount [Yes: no additional amount in respect of accrued interest to be paid/No: together with the Early Redemption Amount, accrued interest shall also be paid]
 includes amount in respect of accrued interest:

N.B. For all Notes attention should be given to how accrued interest should be included in the computation of the Early Redemption Amount, if at all

30. Index Linked Redemption Notes: [Applicable/Not Applicable]

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

- (i) Whether the Notes relate to a basket of indices or a single index, the identity of the relevant Index/Indices and details of the relevant index sponsors and whether such Index/Indices are a Multi-Exchange Index: [Basket of Indices/Single Index] [(Give or annex details)] [Details of each Index Sponsor] Multi-Exchange Index [Yes/No] [The X Percentage [applies/does not apply] in relation to such Index]
- (ii) Calculation Agent [•] [Address of Calculation Agent]

responsible for making calculations pursuant to Condition 7:

- | | | |
|--------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (iii) | Exchange(s): | [•] |
| (iv) | Related Exchange(s): | [[•]/All Exchanges] |
| (v) | Final Redemption Amount: | [Express per Calculation Amount] |
| (vi) | [Valuation Date/Averaging Dates]: | [•] |
| | [Adjustment provisions in the event of a Disrupted Day: | [Omission/Postponement/Modified Postponement]

<i>(NB: only applicable where Averaging Dates are specified)]</i> |
| | [Reference Price: | [Condition 7(c) applies/other]

<i>(NB: if fallback set out in the definition of "Valuation Date" in Condition 7(c) does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)</i> |
| (vii) | [Relevant Time/Valuation Time]: | [Condition 7 applies/other] |
| (viii) | Strike Price: | [•] |
| (ix) | Trade Date: | [•] |
| (x) | Correction of Index Levels: | Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]. |

(If Correction of Index Levels does not apply, delete the following sub-paragraph)

[Correction Cut-Off Date: [[•] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Dates, [•] days after the relevant Averaging Date and in relation to the final Averaging Date, [•] Business Days prior to the Maturity Date]].

(Repeat as necessary where there are more Indices or insert a table)

(xi) Additional Disruption Events: See paragraph 39

(xii) Other terms or special conditions: [•]

31. Equity Linked Redemption Notes: [Applicable/Not Applicable]

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

(i) Whether the Notes relate to a basket of Underlying Equities or a single Underlying Equity and the identity of the relevant issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity]
[Give or annex details of each Underlying Equity and each Equity Issuer. For GEM listed trades, note that any Underlying Equity must be traded on a regulated, regularly operating, recognised open market]

(ii) Exchange Traded Fund: [Applicable][Not Applicable]
[(further particulars specified below)]

(iii) Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]
(If Cash Settlement and/or Physical Delivery specified, specify details for determining in what

Delivery: *circumstances Cash Settlement or Physical Delivery will apply)*

(In the case of Registered Notes that are to be cleared through CREST, Cash Settlement is assumed).

- (iv) Calculation Agent responsible for making calculations pursuant to Condition 8: [•][Address of Calculation Agent]
- (v) Exchange: [•]
- (vi) Related Exchange(s): [[•]/All Exchanges]
- (vii) Potential Adjustment Events: [Applicable/Not Applicable]
- (viii) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (ix) Tender Offer: [Applicable/Not Applicable]
- (x) Equity Substitution: [*Delete paragraph if applicable*]/[Not Applicable]
- (xi) Correction of Underlying Equity Prices: Correction of Underlying Equity Prices [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].
- (If Correction of Underlying Equity Prices does not apply, delete the following sub-paragraph)*
- [Correction Cut-Off Date: [[•] Business Days prior to the Maturity Date.]

(Repeat as necessary where there are more Underlying Equities or insert a table)

- (xii) Final Redemption Amount: *[Express per Calculation Amount]*
- [Valuation Date/Averaging Dates]:* [•]
- [Adjustment provisions in the event of a Disrupted Day:* [Omission/Postponement/Modified Postponement]
- (NB: only applicable where Averaging Dates are specified)]*
- Reference Price: *[Condition 8(e) applies /other]*
- (NB: if fallback set out in the definition of “Valuation Date” in Condition 8(e) does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)*
- (xiii) Valuation Time: *[Condition 8(e) applies/other]*
- (xiv) Strike Price: [•]
- (xv) Exchange Rate: *[Applicable/Not Applicable]*
- [Insert details]*
- (xvi) Trade Date: [•]
- (xvii) Relevant Assets: *[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]*
- (xviii) Asset Amount: *[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]*
- (xix) Cut-Off Date: *[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]*

- (xx) Final Date: [•]
- (xxi) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Conditions: *[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]*
- (xxii) Other terms or special conditions: [•]
- (xxiii) Failure to Deliver due to Illiquidity: [Applicable/Not Applicable]
(NB: Only applicable to certain types of Equity Linked Redemption Notes)
- (xxiv) Additional Disruption Events: See paragraph 39

[Exchange Traded Fund Particulars: *(delete entire section if Exchange Traded Fund is specified to be "Not Applicable")*]

Exchange Traded Fund Business Day Jurisdiction(s): [•]

Replacement Exchange Traded Fund: [Applicable][Not Applicable]

Suspension Asset: [Applicable][Not Applicable]

32. Credit Linked Notes: [Applicable/Not Applicable]

[NB: Consider whether definitions included in Conditions are up to date] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Type of Notes: [Single Name Credit Linked Notes/First-to-Default Credit Linked Notes/Nth-to-Default Credit Linked Notes*/Linear Basket Notes**/other***]

*[*Where the Notes are Nth-to-Default Credit*

Linked Notes, specify the value of N, e.g. "Second-to-Default Credit Linked Notes"]

*[**Where the Notes are Linear Basket Notes specify the weighting of the Basket]*

*[***If Credit Linked Notes of a type other than covered by Condition 10 are being issued then applicable additional provisions will need to be set out in full in this Pricing Supplement]*

(ii) Credit Derivatives Physical Settlement Matrix

(a) Physical Settlement Matrix Standard Terms: [Applicable/Not Applicable]

[Condition 10(o). The Physical Settlement Matrix Standard Terms can apply to a Physically Settled, Cash Settled or Auction Settled Note]

(b) Version of Physical Settlement Matrix: The "Credit Derivatives Physical Settlement Matrix" as published by ISDA on [•], a copy of which is appended to this Pricing Supplement

[If Applicable, append the version of the Physical Settlement Matrix which is being used to this Pricing Supplement]

General

(iii) Final Redemption Amount: *[Express per Calculation Amount]*

(iv) Trade Date: [•]

(v) Specified Business Centre(s): [•]

(vi) Business Day Convention: [Following/Modified Following/Preceding]

(vii) Calculation Agent responsible for making [•][*Address of Calculation Agent*]

calculations and determinations pursuant to Condition 10:

(viii) Calculation Agent City: [•]

Credit Provisions

(ix) Reference Entity(ies): [•]

(a) Transaction Type(s): [•] [Not Applicable] [*Specify Transaction Type(s) where "Physical Settlement Matrix Standard Terms" is applicable*]

[If more than one Reference Entity, insert the following:]

1. [Reference Entity 1: [•] (Reference Entity 1)

(a) Transaction Type(s): [•] [Not Applicable] [*Specify Transaction Type(s) where "Physical Settlement Matrix Standard Terms" is applicable*]

(b) Reference Entity Notional Amount: [•] [*Only applicable to linear Basket Notes*]

(c) Reference Entity Applicable Percentage: [•][*Only applicable to linear Basket Notes*]

2. [Reference Entity 2 [•] (Reference Entity 2)

(a) Transaction Type(s): [•] [Not Applicable] [*Specify Transaction Type(s) where "Physical Settlement Matrix Standard Terms" is applicable*]

(b) Reference Entity Notional Amount: [•][*Only applicable to linear Basket Notes*]

[NB complete and number accordingly in relation to additional Reference Entities. Also repeat relevant information in (xi) – (xx) below inclusive in respect of each Reference Entity, specifying “In relation to Reference Entity [1]” or similar in relation to the relevant information.]

(x) Fixed Number of Reference Entities: [Applicable/Not Applicable]

(xi) Successor Backstop Date: [Applicable / Not Applicable]

(xii) Reference Obligation(s): [•]

[Standard Reference Obligation is Applicable.]

[Seniority Level: [Senior Level][Subordinated Level]]

[Original Non-Standard Reference Obligation:

[NB complete details in (vii) in relation to each Non-Standard Reference Obligation]

[The obligation[s] identified as follows:

(a) Primary Obligor: []

(b) Guarantor: []

(c) Maturity: []

(d) Coupon: []

(e) CUSIP/ISIN: []]

(xiii) All Guarantees: [With respect to each Reference Entity, as specified in the Physical Settlement Matrix] or [Applicable/Not Applicable]

(xiv) Credit Events: [With respect to each Reference Entity, as specified in the Physical Settlement Matrix]

[Where the Physical Settlement Matrix Standard Terms apply, specify whether "Restructuring" is applicable in the case of a North American Corporate Transaction Type or Standard North American Corporate Transaction Type]

or

[Bankruptcy]

[Failure to Pay]

[Grace Period Extension: [Applicable/Not Applicable]]

[If Applicable: Grace Period: [•]]

[Obligation Acceleration]

[Obligation Default]

[Repudiation/Moratorium]

[Restructuring]

[If Restructuring is applicable:

– [Mod R: [Applicable/Not Applicable]]

– [Mod Mod R: [Applicable/Not Applicable]]

– [Multiple Holder Obligation: [Applicable/Not Applicable]]

[Governmental Intervention]

[If Governmental Intervention is applicable:

– [CoCo Provisions: [Applicable/Not Applicable]]

– [Trigger Percentage: [•] per cent.]

[other]

(a) Default Requirement: [•]

(b) Payment Requirement: [•]

(c) Financial Reference Entity Terms: [Applicable – [Senior/Subordinated] Transaction is applicable]

(d) Subordinated European Insurance Terms: [Applicable / Not Applicable]

(xv) Credit Event Backstop Date: [Applicable / Not Applicable]

(xvi) Notice of Publicly Available Information: [Applicable/Not Applicable]

[If Applicable:

– Public Source(s): [As per Condition 10(r)] or [specify sources]]

– Specified Number: [•]]

[Other Physical Settlement Matrix Standard Terms apply (if any)]

(xvii) Event Determination Date: [Event Determination Date Version A] *[This is equivalent to a CDS with two Notifying Parties]*

[Event Determination Date Version B] *[This is equivalent to a CDS with Buyer as sole Notifying Party]*

[Select one of the above]

(xviii) Obligation(s):

(a) Obligation Category [With respect to each Reference Entity, as specified in the Physical Settlement Matrix]

or

[select one only]:

[Payment]

[Borrowed Money]

[Reference Obligations Only]

[Bond]

[Loan]

[Bond or Loan]

(b) Obligation Characteristics: [With respect to each Reference Entity, as specified in the Physical Settlement Matrix]

or

[select all of which apply]

[Non Subordinated]

[Specified Currency: [specify currency] or [Standard Specified Currencies]

[Not Sovereign Lender]

[Not Domestic Currency:]

[Domestic Currency means: [specify currency] or [As per Condition 10(r)]]

[Not Domestic Law]

[Listed]

[Not Domestic Issuance]

(c) Additional
Obligation(s): [•]

(xix) [Provisions relating to Monoline Insurer as Reference Entity: [Condition 10(s) [Applicable/Not Applicable]/[Condition 10(r) [Applicable/Not Applicable]] (N.B. If applicable, only one of Condition 10(s) and Condition 10(t) should be specified but not both)]

(xx) Excluded Obligation(s): [•]

(xxi) Settlement:

(a) Settlement Method: [Cash Settlement/Physical Delivery/Auction Settlement]

(b) Fallback Settlement Method: [Cash Settlement/Physical Delivery/Not Applicable]

(xxii) Accrual of Interest upon Credit Event: [Applicable/Not Applicable] (N.B. If applicable and Specified Currency is other than EUR ensure main financial centre of Specified Currency is specified in item 33(v))

(a) Overnight Rate: [Provide details if Accrual of Interest upon Credit Event is applicable and Specified Currency is other than EUR or U.S.\$]

(xxiii) Merger Event: [Applicable/Not Applicable]

(xxiv) Unwind Costs: [•] [Specify Amount] [Standard Unwind Costs/Not Applicable]

Terms relating to Cash Settlement

(xxv) Credit Event Redemption Amount: [Express per Calculation Amount] or [As specified in Condition 10(r)]

[If applicable, insert the following: The Credit Event Redemption Amount in respect of each Calculation Amount shall be rounded to the nearest 0.01 in the Specified Currency with 0.005 rounded [up]wards [See paragraph [1] of Schedule 1 hereto]

(xxvi) Credit Event Redemption Date: [[•] Business Days] or [As specified in Condition 10(r)]

(xxvii) Valuation Date: [Single Valuation Date:

[•] Business Days]

[Multiple Valuation Dates:

[•] Business Days; and each Business Days thereafter.

Number of Valuation Dates: [•]]

(xxviii) Valuation Time: [•]

(xxix) Quotation Method: [Bid/Offer/Mid-market]

(xxx) Quotation Amount: [•]/Representative Amount]

(xxxi) Minimum Quotation Amount: [•]

(xxxii) Quotation Dealers: [•]

(xxxiii) Quotations: [Include Accrued Interest/Exclude Accrued

Interest]

(xxxiv) Valuation Method: [Market/Highest]

(xxxv) Valuation Obligation(s):
The following Deliverable
Obligation Category and
Deliverable Obligation
Characteristics shall apply:

(a) Deliverable Obligation [With respect to each Reference Entity, as
Category: specified in the Physical Settlement Matrix]

or

[*select one only*]

[Payment]

[Borrowed Money]

[Reference Obligations Only]

[Bond]

[Loan]

[Bond or Loan]

(b) Deliverable Obligation [With respect to each Reference Entity, as
Characteristics: specified in the Physical Settlement Matrix]

or

[*select all of which apply*]

[Not Subordinated]

[Specified Currency: [*specify currency*] or
[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: [*insert Maximum Maturity in years*]]

[Accelerated or Matured]

[Not Bearer]

(c) Additional Deliverable [•]
Obligation(s):

(d) Excluded Deliverable [•]
Obligation(s):

(xxxvi) Other terms or special [Average Market/Highest/Average Highest]

conditions:

[[Weighted]Blended Market/Blended Highest]

[[Weighted]Average Blended Market/ Average Blended Highest]

[•]

Terms relating to Physical Delivery

(xxxvii) Physical Settlement Period: [With respect to each Reference Entity, as specified in the Physical Settlement Matrix]

or

[•] Business Days]

(xxxviii) Asset Amount: [Include Accrued Interest/Exclude Accrued Interest]

(xxxix) Settlement Currency: [•]

(xl) Deliverable Obligations: [Applicable] [Not Applicable]

(a) Deliverable Obligation Category: [With respect to each Reference Entity, as specified in the Physical Settlement Matrix]

or

[*select one only*]

[Payment]

[Borrowed Money]

[Reference Obligations Only]

[Bond]

[Loan]

[Bond or Loan]

(b) Deliverable Obligation Characteristics: [With respect to each Reference Entity, as specified in the Physical Settlement Matrix]

or

[*select all of which apply*]

[Not Subordinated]

[Specified Currency: [*specify currency*] or [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: *[insert Maximum Maturity in years]*]

[Accelerated or Matured]

[Not Bearer]

- (c) Additional Deliverable Obligation(s): [•]
- (d) Excluded Deliverable Obligation(s): [•]
- (e) Asset Package Delivery: [Applicable/Not Applicable]
- (f) Sovereign No Asset Package Delivery: [Applicable/Not Applicable]
- (xli) Partial Cash Settlement of Consent Required Loans: [Applicable] [Not Applicable]
- (xlii) Partial Cash Settlement of Assignable Loans: [Applicable] [Not Applicable]
- (xliii) Partial Cash Settlement of Participations: [Applicable] [Not Applicable]
- (xliv) Delivery provisions for Asset Amount if different from stated above: [•] [Not Applicable]
- (xlv) Indicative Quotations: [Applicable/Not Applicable] [Applicable in respect of Undeliverable Obligations only *[This latter option is the standard position under the 2014 Credit Derivatives Definitions]*]

(xlvii) Cut-Off Date: [•]

(xlviii) Delivery provisions for [•]
Asset Amount (including
details of who is to make
such delivery) if different
from Conditions:

(xlix) Other terms or special [Insert if applicable]
conditions:

Terms relating to Auction Settlement

(l) Auction Credit Event [Express per Calculation Amount] or [As
Redemption Amount: specified in Condition 10(r)]

(ii) Auction Credit Event [•] or [As specified in Condition 10(r)]
Redemption Date:

*Adjustments following a Constraint
Event*

(i) Constraint Events

(a) Constraint Event [Applicable/Not Applicable]
provisions:

*(If not applicable, delete the following sub-
paragraph "Type of Constraint Event")*

(b) Constraint Event [Applicable/Not Applicable]
Early
Redemption:

(ii) Type of Constraint Event:

(a) General [Applicable/Not Applicable]
Inconvertibility: If applicable:
Relevant Jurisdictions [give details]
Local Currency [give details]

- (b) Specific Inconvertibility: [Applicable/Not Applicable]
 If applicable: [Reference Entity Jurisdictions] [give details]
 [Relevant Jurisdictions] [give details]
 Local Currency [give details]
- (c) General Non-Transferability: [Applicable/Not Applicable]
 If applicable: [Relevant Jurisdictions] [give details]
 Local Currency [give details]
- (d) Specific Non-Transferability: [Applicable/Not Applicable]
 If applicable: [Reference Entity Jurisdictions] [give details]
 [Relevant Jurisdictions] [give details]
 Local Currency [give details]
- (e) Nationalisation: [Applicable/Not Applicable]
 If applicable: [Reference Entity Jurisdictions] [give details]
 Relevant Jurisdictions [give details]
- (f) Hedging Disruption: [Applicable/Not Applicable]
- (g) Downgrade: [Applicable/Not Applicable]
 If applicable: [Downgrade Obligation] [Reference details]
 [Specified Rating] [give details]
 [Rating Agency] [give details]
 [If more than one Downgrade Obligation, repeat in relation to each such Downgrade Obligation]

(liii) [Additional Disruption Events: See paragraph 39]

33. Currency Linked Redemption Notes: [Applicable/Not Applicable]

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

- (i) Relevant Currency(ies): [•]
- (ii) Final Redemption Amount: *[Express per Calculation Amount]*
- Currency Exchange Rate: [spot currency exchange rate] [currency exchange rate] [•] expressed as the amount of *[insert currency]* per one *[insert currency]* which appears on the Screen Page
- Valuation Date: [Not Applicable/[•]]
- Averaging Date(s): [Not Applicable/[•]]
- Observation Date(s): [Not Applicable/[•]]
- Valuation Time: [•]
- Screen Page: [•] **[Bloomberg Code:[•] <Currency>][or]**
- [Reuters RIC Code: [•]]**

(Repeat as necessary where there are more than one Currency Exchange Rate or insert a table)

- (iii) Calculation Agent [•]*[Address of Calculation Agent]* responsible for making calculations pursuant to Condition 6:

- (iv) Trade Date: [•]

- (v) Additional Disruption Events: See paragraph 39

- (vi) Other terms or special conditions: [•]

34. Commodity Linked Redemption Notes [Applicable/Not Applicable]

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

- (i) Whether the Notes relate to [Basket of Commodities/Single Commodity] a basket of Commodities or a single Commodity and [Give or annex details] identity of the relevant commodity(ies):
- (ii) Final Redemption Amount: [Express per Calculation Amount]
- (iii) [Valuation Date/Averaging [•] Dates]:
- (iv) Strike Date: [•]
- (v) Commodity: [•]
- (vi) Information Source: [•]
- (vii) Commodity Reference Price: [•]/[The Specified Price as published by the Price Source]/[Commodity Reference Dealers]
- (viii) Correction of Commodity [Applicable/Not Applicable] Reference Price:
- (ix) Price Materiality Percentage: [[•]/Not Applicable]
- (x) Exchange: [•]
- (xi) Futures Contract: [•]
- (xii) Delivery Date: [[•]/[•] Nearby Month]
- (xiii) Price Source: [•]
- (xiv) Specified Price: [(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 fixing; (O) the spot price; or (P) [*Other – please specify*]

(xv) Market Disruption Event: [Price Source Disruption]
[Trading Disruption]
[Disappearance of Commodity Reference Price]
[Material Change in Formula]
[Material Change in Content]
[Tax Disruption]
[*Other – please specify*]

(xvi) Reference Dealers: [[•]/The Calculation Agent]

(Repeat as necessary where there are more Commodities or insert a table)

(xvii) Calculation Agent [•][*Address of Calculation Agent*]
responsible for making
calculations pursuant to
Condition 11:

(xviii) Trade Date: [•]

(xix) Additional Disruption Events: See paragraph 39

(xx) Other terms or special [•]
conditions:

35. Government Bond Linked [Applicable/Not Applicable]

Redemption Notes:

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

(i) Whether the Notes relate to [Basket of Government Bonds/Single
a basket of Government Government Bond] [*Give or annex details*]
Bonds or a single
Government Bond and
identity of the relevant
Government Bond(s) and/or

related Reference Asset(s) (if any):

(ii) Final Redemption Amount: *[Insert per Calculation Amount]*

(iii) [Valuation Date/Averaging [•]
Dates]:

(iv) Information Source: [•]

(v) Exchange: [•]

(vi) [Contract][specify details of [•]
related futures contract (if any)]:

(Repeat as necessary where there are more Government Bonds or insert a table)

(vii) Calculation Agent [•][Address of Calculation Agent]
responsible for making calculations pursuant to Condition 12:

(viii) Trade Date: [•]

(ix) Additional Disruption Events: See paragraph 39

(x) Other terms or special conditions: [•]

36. Fund Linked Redemption Notes: [Applicable/Not Applicable]

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

(i) Whether the Notes relate to [Basket of Funds/Single Fund] [Give or annex a basket of Funds or a single

Fund and identity of the *details*
relevant Fund(s):

(ii) Final Redemption Amount: *[Insert per Calculation Amount]*

(iii) [Valuation Date/Averaging [•]
Dates]:

(iv) Information Source: [•]

(v) [Replacement Fund:] [Applicable/Not Applicable]

(vi) [Suspension Asset:] [Applicable/Not Applicable]

(vii) Effective Date: [•]

*(Repeat as necessary where there
are more Funds or insert a table)*

(viii) Calculation Agent [•]*[Address of Calculation Agent]*
responsible for making
calculations pursuant to
Condition 13:

(ix) Additional Disruption See paragraph 39
Events:

(x) Trade Date: [•]

(xi) Other terms or special [•]
conditions:

37. Inflation Index Linked Redemption [Applicable/Not Applicable]

Notes:

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

(i) Whether the Notes relate to [Basket of Inflation Indices/Single Inflation
a basket of Inflation Indices Index] *[Give or annex details]*

or a single Inflation Index
and identity of the relevant
Inflation Index/Indices:

(ii) Final Redemption Amount: *[Insert per Calculation Amount]*

(iii) [Valuation Date/Averaging [•]
Dates]:

(iv) Information Source: [•]

(v) Inflation Fixing Months: [•]

*(Repeat as necessary where there
are more Inflation Indices or insert a
table)*

(vi) Calculation Agent [•][*Address of Calculation Agent*]
responsible for making
calculations pursuant to
Condition 14:

(vii) Trade Date: [•]

(viii) Additional Disruption Events: See paragraph 39

(ix) Other terms or special [•]
conditions:

38. Certificate Linked Redemption [Applicable/Not Applicable]

Notes:

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

(i) Whether the Notes relate to [Basket of Certificates/Single Certificate] [Give or
a basket of Certificates or a *annex details*]
single Certificate and
identity of the relevant

Certificate(s):

(ii) Final Redemption Amount: *[Insert per Calculation Amount]*

(iii) [Valuation Date/Averaging [•]
Dates]:

(iv) Information Source: [•]

(Repeat as necessary where there are more Certificates or insert a table)

(v) Calculation Agent [•]*[Address of Calculation Agent]*
responsible for making
calculations pursuant to
Condition 15:

(vi) Trade Date: [•]

(vii) Additional Disruption See paragraph 39
Events:

(viii) Other terms or special [•]
conditions:

39. Additional Disruption Events: [Applicable/Not Applicable]

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

(i) Change in Law: [Applicable/Not Applicable]

[(N.B. Not applicable in the case of Credit Linked Notes)]

(ii) Hedging Disruption: [Applicable/Not Applicable] *(Elect "Applicable" if the default provisions under the programme apply.)*

(N.B. Not applicable in the case of Credit Linked

Notes)

(iii) Increased Cost of Hedging [Applicable/Not Applicable]

(N.B. Not applicable in the case of Credit Linked Notes)

(iv) Increased Cost of Stock Borrow [Applicable/Not Applicable]

(N.B. Only applicable in the case of Equity Linked Notes and certain types of Index Linked Notes)

(v) Insolvency Filing [Applicable/Not Applicable]

(N.B. Only applicable in the case of Equity Linked Notes [and Certificate Linked Notes])

(vi) Loss of Stock Borrow [Applicable/Not Applicable]

(N.B. Only applicable in the case of Equity Linked Notes and certain types of Index Linked Notes)

41. Benchmark Event Redemption: [Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

41. New Global Note: [Yes][No]

42. Form of Notes: [Global Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Bearer Notes on at least [60] days' notice [at any time/in the limited circumstances specified in the Permanent Global Note].]

[Temporary Global Note exchangeable for definitive Bearer Notes on and after the end of the Distribution Compliance Period.]

[Permanent Global Note exchangeable for

definitive Bearer Notes on at least [60] days' notice [at any time/in the limited circumstances specified in the Permanent Global Note].]

(N.B. The exchange upon notice at any time option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Bearer Notes.)

[Global Certificate (*nominal amount*) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/[the sub-custodian for the CMU Service]/[•]]]

[CREST Notes – The Notes will be issued in dematerialised and uncertificated form and cleared through CREST]

[Instalment Global Notes – see the forms annexed hereto]

43. Additional Business Centre(s): [Not Applicable/*give details. Note that this item is only relevant where no Additional Business Centre(s) are specified in items 15(iii), 16(iv), 18(xiii), 19(xix), 20(xxi) or 21(vii), 22(xi), 23(xii), 24(x) or 25(ix).*

(NB: If London is required to be open please specify London as a Business Centre above)

44. Financial Centre(s): [Not Applicable/*give details*]

(NB: If London is required to be open on a Payment Date please specify London as a Financial Centre above)

45. Talons for future Coupons or Receipts to be attached to definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
46. Details relating to Partly Paid Notes: [Not Applicable/*give details*]
- [(i)] 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:
- [(ii)] Instalment Global Notes: [Not Applicable/See the forms annexed hereto]]
- [(iii)] Details relating to notices: [insert details]]
47. Details relating to Instalment Notes: Instalment Amounts, Instalment Dates: [Not Applicable/*give details*]
48. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
49. Consolidation provisions: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
50. Notices to the Issuer: *[Insert notice details for delivery of notices to the Issuer if specific notice details are required and Condition 23(c) applies]*
51. Issuer Business Centre: [Edinburgh/London/*other*]

(N.B. this item relates to the definition of Issuer Business Day set out in Condition 23)

- [52. Additional U.S. federal income tax considerations [Not applicable/*give details*] [The Notes are [not] Section 871(m) Notes for the purpose of Section 871(m). The [Dividend Withholding] [Issuer Withholding] approach shall apply to the Notes. For further information, see "[*Risk Factors – Risk Factors relating to the Notes - Risks relating to Notes generally - Payments on the Notes may be subject to U.S. withholding tax and/or Early Termination on Account of U.S. Withholding Tax*]" in the Programme Document. [The following dividend equivalent amounts are to be treated as being reinvested during the term of the Notes, less a withholding on such amounts at a rate of [•] per cent. (as of the Issue Date), which shall be treated for U.S. federal income tax purposes as having been withheld from payments due to the holders of the Notes: [•].] [Additional information regarding the application of Section 871(m) to the Notes will be available from the Issuer. Investors should submit any requests for additional information to the Issuer via their custodians.]]¹
53. Other terms: [Not Applicable/*give details*]

[If, following the date of this Pricing Supplement, but before the later of (i) the Issue Date for the Notes; and (ii) if applicable, the admission of the Notes to the [Official List of The Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) and to trading on the Global Exchange Market of Euronext Dublin]/[specify](the **Original Programme Document**) is amended, supplemented, updated or replaced (including replacement following the

¹ The Notes should not be Section 871(m) Notes, if they (i) do not reference any U.S. equity or any index that contains any U.S. equity, (ii) reference indices considered to be "qualified indices" for purposes of Section 871(m) or (iii) are Non-Delta-One Notes and are issued prior to 1 January 2019. Delta-One Notes and Non-Delta-One Notes issued on or after 1 January 2019 that reference a U.S. equity or index that contains any U.S. equity are subject to additional testing on a trade-by-trade basis to determine whether they are subject to U.S. federal withholding tax under Section 871(m).

expiry of the Original Programme Document) then the Issuer shall be entitled, without the consent of any Noteholder, any prospective Noteholder, the Trustee or any other person, to amend this Pricing Supplement so as to provide, and/or replace this Pricing Supplement with ones which provide, that references to the Original Programme Document herein shall be to the Original Programme Document as amended, supplemented, updated or replaced (save that the terms and conditions applicable to the Notes shall be the Terms and Conditions set forth in the Original Programme Document).]

[This Pricing Supplement supersedes and replaces that dated [] in relation to the Notes.]

DISTRIBUTION

54. (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/give names [and addresses and underwriting commitments]]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of [Subscription] agreement: [•]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give names]
55. If non-syndicated, name of Dealer: [Not Applicable/give name]
56. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount

57. Whether TEFRA D or TEFRA C rules [TEFRA D/TEFRA C/TEFRA rules not applicable] applicable or TEFRA rules not applicable:

58. Additional selling restrictions: [Not Applicable/*give details*]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [The information relating to [the Reference Items (the Reference Information)] [and [•]] contained herein has been accurately reproduced from [insert information source(s)]. The Issuer confirms that such information has been accurately reproduced and that, so far as the Issuer is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) to list the Notes issued under the Programme on [the Official List of Euronext Dublin/*specify*] [and to admit them to trading on [Euronext Dublin’s Global Exchange Market/ *specify*]]] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

Ratings: The Notes to be issued have been rated:

[S&P Global Ratings Europe Limited: [•]]

[Moody’s Investors Service Limited: [•]]

[Fitch Ratings Limited: [•]]

[[Other]: [•]]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

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

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

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

[(i) Reasons for the offer: [•]

(See “Use of Proceeds” wording in Programme Document – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

(ii) Estimated net proceeds: [•]

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

(iii) Estimated total expenses: [•]

[Include breakdown of expenses]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: [•]

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/SONIA/other] rates can be obtained from [Reuters].]

7. PERFORMANCE OF REFERENCE ITEM(S)/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ITEM(S)

[Need to include details of where past and future performance and volatility of the Reference Item(s)/formula/other variable can be obtained.]

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the Reference Item(s) and the circumstances when the risks are most evident.]

[Where a Reference Item 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 a Reference Item is an underlying equity, need to include details of the name of equity issuer, the identification number of the underlying equity, where pricing information about the underlying equity can be obtained.]

[Where there is a basket of Reference Items, give details of weighting of each Reference Item within the basket.]

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]

8. OPERATIONAL INFORMATION

(i) ISIN Code: [•] [Not Applicable]

(ii) Common Code: [•] [Not Applicable]

[(iii) FISN: [•] [Not Applicable]]

[(iv) CFI Code: [•] [Not Applicable]]

(v) CMU Code: [•] [Not Applicable]

(vi) Clearing System: [Euroclear Bank SA/NV and Clearstream Banking S.A./Central Moneymarkets Unit Services]

- (vii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the Central Moneymarkets Unit (together with their addresses) and the relevant identification number(s): [Not Applicable]
 [Euroclear UK and Ireland Limited (**CREST**), 33 Cannon Street, London EC4M 5SB
 [*Insert identification number/code of the Notes*]]
 [*Specify other name(s) and number(s) and set out any necessary terms and/or amendments to the Conditions*].
- (viii) Delivery: Delivery [against/free of] payment
- (ix) Additional Paying Agent(s) (if any): [•]
- (x) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]
 [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (**ICSDs**) as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes which are to be held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /
 [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one

of the International Central Securities Depositories (ICSDs) as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes*].

Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

(xi) Prohibition of Sales to EEA [Applicable/Not Applicable]

Retail Investors:

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

ANNEX

(If Physical Settlement Matrix Standard Terms is specified as applying in respect of Credit Linked Notes, insert the relevant Physical Settlement Matrix in respect of each relevant Transaction Type)

TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes (the **Conditions** and each a **Condition**) which (subject to amendment) will be incorporated by reference into each Global Note and which will be endorsed upon each definitive Bearer Note and which will apply to each Registered Note. The applicable Pricing Supplement (as defined below) in relation to any Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purposes of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note, each definitive Bearer Note and each definitive Registered Note. Reference should be made to Form of the Notes above for the form of Pricing Supplement which will include the definition of certain terms used in the following Conditions.*

This Note is one of a Series of Notes constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 12 November 2002 made between NatWest Markets Plc (formerly known as The Royal Bank of Scotland plc) (the **Issuer**) and The Law Debenture Trust Corporation p.l.c. (the **Trustee**, which expression shall include any successor as trustee) as Trustee for the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note or a Global Certificate be construed as provided in Condition 1 below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Bearer Notes (as defined below) represented by a Global Note (as defined below), units of the lowest Specified Denomination in the Specified Currency;
- (ii) in relation to any Registered Notes (as defined below) represented by a Global Certificate (as defined below) or cleared through CREST, units of the lowest Specified Denomination in the Specified Currency;
- (iii) any Global Note;
- (iv) any definitive Bearer Notes issued in exchange for a Global Note; and
- (v) any definitive Registered Notes (whether or not issued in exchange for Notes represented by a Global Certificate).

Interest-bearing definitive Bearer Notes have interest coupons (**Coupons**) and, if indicated in the applicable Pricing Supplement, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or Couponholders (as defined below) shall, unless the context otherwise requires, be deemed to include a reference to Talons or Talonholders (as defined below). Definitive Bearer Notes redeemable in instalments will have receipts

attached on issue (**Receipts**) for the payment of the instalments of principal (other than the final instalment).

Payments in respect of the Notes (other than Notes cleared through CREST (defined below)) will be made under an amended and restated Agency Agreement (such Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 5 March 2018 and made between the Issuer, The Bank of New York Mellon, London Branch, as agent (the **Agent**, which expression shall include any successor as agent), The Bank of New York Mellon, acting through its Hong Kong Branch (the **CMU Lodging and Paying Agent**, which expression shall include any successor as CMU lodging and paying agent), the paying agent named therein (together with the Agent and the CMU Lodging and Paying Agent, the **Paying Agents**), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the **Registrar**, which expression shall include any successor as registrar) and the Trustee.

Payments in respect of Notes cleared through CREST will be made under an agreement (as amended, restated or supplemented from time to time, the **Registry Services Agreement**) for the provision of registry services with Computershare Investor Services PLC (the **Registrar**, which expression shall include any successor registrar).

Notes may be issued at such times as shall be determined by the Issuer. The Issuer shall, prior to the time of issue of any Notes, determine the relevant provisions of the Notes to be issued pursuant to the terms set out below, such provisions to be indicated in Part A of the applicable Pricing Supplement, which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify them for the purposes of this Note. References herein to the **applicable Pricing Supplement** are to Part A of the Pricing Supplement attached hereto or endorsed hereon (where applicable).

The following statements are summaries of the detailed provisions of the Trust Deed and the applicable Pricing Supplement. Copies of the Trust Deed (which contains the forms of the Notes, Receipts, Coupons and Talons other than in respect of Notes cleared through CREST), together with copies of the Agency Agreement (which contains the form of the Pricing Supplement for each issue of Notes other than Notes cleared through CREST), will be available for inspection during normal business hours at the registered office for the time being of the Trustee, being as at 22 February 2019, at Fifth Floor, 100 Wood Street, London EC2V 7EX and, in the case of Bearer Notes, at the specified office of each of the Paying Agents and, in the case of Registered Notes not cleared through CREST, at the specified office of the relevant Registrar. Copies of the Trust Deed and the Registry Services Agreement will be available from the relevant Registrar in the case of Registered Notes cleared through CREST. A copy of the applicable Pricing Supplement may be obtained from, in the case of Bearer Notes or Registered Notes not cleared through CREST, the specified office of each of the Paying Agents and, in the case of Registered Notes, at the specified office of the relevant Registrar save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the

Issuer and the relevant Paying Agent or (in the case of Registered Notes) the relevant Registrar, as the case may be, as to its holding of such Notes (other than in respect of Notes cleared through CREST) and identity. In the case of Notes not cleared through CREST, the relevant Noteholders, the holders of the Receipts (the **Receiptholders**), the holders of the Coupons (the **Couponholders**) and the holders of the Talons (the **Talontholders**) will be deemed to have notice of, and will be entitled to the benefit of, all the provisions of the Trust Deed and the Agency Agreement, which will be binding on them. In the case of Notes cleared through CREST, the relevant Noteholders will be deemed to have notice of, and will be entitled to the benefit of, all the provisions of the Trust Deed and the Registry Services Agreement, which will be binding on them. Words and expressions defined in the Trust Deed, the Agency Agreement, the Registry Services Agreement or used in the applicable Pricing Supplement shall have the same meanings where used herein unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement or the Registry Services Agreement, as the case may be, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed, the Agency Agreement or the Registry Services Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

As used herein, **Series** means the Notes of each original issue of Notes together with the Notes of any further issues expressed to be consolidated and form a single series with the Notes of an original issue and which are denominated in the same currency and the terms of which (save for the Issue Date, the Interest Commencement Date or the Issue Price) are otherwise identical (including whether or not they are listed on any stock exchange) and shall be deemed to include the temporary and permanent global Notes and the definitive Notes of such Series; and the expressions **Notes of the relevant Series** and **holders of Notes of the relevant Series** and related expressions shall be construed accordingly. As used herein, **Tranche** means all Notes of the same Series with the same Issue Date, Interest Commencement Date and Issue Price. As used herein, **Registrar** shall mean (i) Computershare Investor Services PLC or its successor (in the case of Registered Notes cleared through CREST) and (ii) The Bank of New York Mellon SA/NV, Luxembourg Branch or its successor, as the context may require or permit.

As used herein, **CNY** and **Renminbi** each mean the lawful currency of the PRC.

1. Form, Denomination and Title

(a) Form

Notes will be issued in bearer form (as **Bearer Notes** (with or without Coupons)) or in registered form (as **Registered Notes**) as specified in the applicable Pricing Supplement.

If so specified in the applicable Pricing Supplement, Notes will be cleared through the dematerialised and uncertificated securities trading system operated by Euroclear UK and Ireland Limited (**CREST**). Such Notes (**CREST Notes**) will be registered securities in dematerialised and uncertificated form, and (i) participating securities and (ii) uncertificated

securities in accordance with the Uncertificated Securities Regulations 2001 (SI. No. 3755) as amended, supplemented or replaced from time to time (the **Regulations**).

If so specified in the applicable Pricing Supplement, Notes will be cleared through the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the **CMU Service**). As used herein, “CMU Rules”, “CMU Operator” and “CMU Instrument Position Report” each have the meaning as defined in the Agency Agreement.

Bearer Notes may not be exchanged for Registered Notes and vice versa.

(b) *Types of Notes*

This Note may (i) bear interest calculated by reference to one or more fixed rates of interest (such Note, a **Fixed Rate Note** (which term shall include, for the avoidance of doubt, a Credit Linked Note (defined below) which bears interest by reference to one or more fixed rates of interest)), (ii) bear interest calculated by reference to one or more floating rates of interest (such Note, a **Floating Rate Note** (which term shall include, for the avoidance of doubt, a Credit Linked Note (defined below) which bears interest calculated by reference to one or more floating rates of interest)), (iii) be issued on a non-interest bearing basis and be offered and sold at a discount to its nominal amount (such Note, a **Zero Coupon Note**), (iv) bear interest calculated by reference to a single index or basket of indices as specified in the applicable Pricing Supplement (such Note, an **Index Linked Interest Note**), (v) bear interest calculated by reference to a single equity security or basket of equity securities as specified in the applicable Pricing Supplement (such Note, an **Equity Linked Interest Note**), (vi) bear interest calculated by reference to a single rate of exchange or basket of rates of exchange as specified in the applicable Pricing Supplement (such Note, a **Currency Linked Interest Note**), (vii) bear interest calculated by reference to a single commodity or basket of commodities as specified in the applicable Pricing Supplement (such Note, a **Commodity Linked Interest Note**), (viii) bear interest calculated by reference to a single government bond (or related futures contract) or basket of government bonds (or related futures contracts) as specified in the applicable Pricing Supplement (such Note, a **Government Bond Linked Interest Note**), (ix) bear interest calculated by reference to a single fund or basket of funds as specified in the applicable Pricing Supplement (such Note, a **Fund Linked Interest Note**), (x) bear interest calculated by reference to a single inflation index or basket of inflation indices as specified in the applicable Pricing Supplement (such Note, an **Inflation Index Linked Interest Note**), (xi) bear interest calculated by reference to a single certificate or basket of certificates as specified in the applicable Pricing Supplement (such Note, a **Certificate Linked Interest Note**), a combination of any of the foregoing or in any other form, depending upon the Interest/Payment Basis or other relevant provisions shown in the applicable Pricing Supplement.

This Note may (i) pay principal calculated by reference to a single index or basket of indices as specified in the applicable Pricing Supplement (such Note, an **Index Linked Redemption Note** and, together with an Index Linked Interest Note, an **Index Linked Note**), (ii) pay principal calculated by reference to a single equity security or basket of equity securities as specified in the applicable Pricing Supplement (such Note, an **Equity Linked Redemption**

Note and, together with an Equity Linked Interest Note, an **Equity Linked Note**), (iii) be linked to the credit of an entity or the entities specified in the applicable Pricing Supplement (such Note, a **Credit Linked Note**), (iv) pay principal calculated by reference to a single rate of exchange or basket of rates of exchange as specified in the applicable Pricing Supplement (such Note, a **Currency Linked Redemption Note** and, together with a Currency Linked Interest Note, a **Currency Linked Note**), (v) pay principal calculated by reference to a single commodity or basket of commodities as specified in the applicable Pricing Supplement (such Note, a **Commodity Linked Redemption Note** and, together with a Commodity Linked Interest Note, a **Commodity Linked Note**), (vi) pay principal calculated by reference to a single government bond (or related futures contract) or basket of government bonds (or related futures contracts) as specified in the applicable Pricing Supplement (such Note, a **Government Bond Linked Redemption Note** and, together with a Government Bond Linked Interest Note, a **Government Bond Linked Note**), (vii) pay principal calculated by reference to a single fund or basket of funds as specified in the applicable Pricing Supplement (such Note, a **Fund Linked Redemption Note** and, together with a Fund Linked Interest Note, a **Fund Linked Note**), (viii) pay principal calculated by reference to a single inflation index or basket of inflation indices as specified in the applicable Pricing Supplement (such Note, an **Inflation Index Linked Redemption Note** and, together with an Inflation Index Linked Interest Note, an **Inflation Index Linked Note**), (ix) pay principal calculated by reference to a single certificate or basket of certificates as specified in the applicable Pricing Supplement (such Note, a **Certificate Linked Redemption Note** and, together with a Certificate Linked Interest Note, a **Certificate Linked Note**), (x) be issued on a partly paid basis in which case interest will accrue on the paid-up amount of such Note and all rights arising under such Note (including rights to payment of principal and interest) after the date on which any instalment is due, being conditional upon the due payment of the relevant instalment) (such Note, a **Partly Paid Note**), (xi) be redeemable in instalments (the amount of each such instalment, an **Instalment Amount**, and the date each such instalment is paid, an **Instalment Date**, in each case, as specified in the applicable Pricing Supplement) (such Note, an **Instalment Note**), a combination of any of the foregoing or in any other form, depending upon the Redemption/Payment Basis or other relevant provisions shown in the applicable Pricing Supplement.

(c) *Title and Transfer*

Subject as set out below, in the case of Notes not cleared through CREST or the CMU Service, title to the Bearer Notes, Receipts (if any) and Coupons will pass by delivery and title to Registered Notes will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee, any Paying Agent and the Registrar may (to the fullest extent permitted by applicable law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not such Bearer Note, Receipt or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note or Registered Notes represented by a Global Certificate, without prejudice to the provisions set out in the next succeeding paragraph. The holder of each Receipt or Coupon, whether or not

such Receipt or Coupon is attached to a Note, shall be subject to and bound by all the provisions contained in the relevant Note.

For so long as any of the Notes is represented by a Global Note or a Global Certificate held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Registrar and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such nominal amount of such Notes, the right to which shall be vested, as against the Issuer, the Trustee, the Registrar and any Paying Agent, solely in the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate in accordance with and subject to its terms (or the Trustee in accordance with the Trust Deed) (and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly). In determining whether a particular person is entitled to a particular nominal amount of the Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certificate as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certificate shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note or a Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the CMU Service, Euroclear and Clearstream, Luxembourg, as the case may be. References to the CMU Service, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Agent and the Trustee.

Transfers of beneficial interests in Notes represented by a Global Certificate will be effected by the CMU Service, Euroclear or Clearstream Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in Notes represented by a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in Notes represented by another Global Certificate only in the Specified Denominations (or an integral multiple of the Specified Denomination) and only in accordance with the rules and operating procedures for the time being of the CMU Service, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement and Trust Deed.

A definitive Registered Note may be transferred in whole or in part (in the Specified Denomination or any integral multiple of the Specified Denomination) by the transferor or a person duly authorised on behalf of the transferor depositing such definitive Registered

Note for registration of the transfer of such definitive Registered Note (or the relevant part of such definitive Registered Note) at the specified office of the Registrar, with the form of transfer endorsed thereon duly completed and signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 4 to the Agency Agreement, the Registrar will enter the name of the transferee in the register for the definitive Registered Notes as the holder of the definitive Registered Note or part thereof specified in the form of transfer. Subject as provided above, the Registrar will, within five Luxembourg Business Days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by regular uninsured mail to such address as the transferee may request a new definitive Registered Note of a like aggregate nominal amount to the definitive Registered Note (or the relevant part of the definitive Registered Note) transferred. In the case of a transfer of part only of a definitive Registered Note, a new definitive Registered Note in respect of the balance of the definitive Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor by regular uninsured mail as aforesaid. For the purposes of this paragraph, the expression **Luxembourg Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Luxembourg.

Subject as set out below, in the case of Notes cleared through the CMU Service, title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery of such Bearer Notes and Receipts, Coupons and Talons and title to the Registered Notes shall pass by registration in the register that 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 holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not such Note, Receipt, Coupon or Talon is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the certificate representing it) or its theft or loss (or that of the related certificate) and no person shall be liable for so treating the holder. For the purposes of this paragraph, "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be).

No exchange of a Bearer Note for a Registered Note or a Registered Note for a Bearer Note will be permitted.

In the event of a partial redemption of Notes under Condition 5(b), the Issuer shall not be required:

- (a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the 65th day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or

- (b) to register the transfer of any Registered Note, or part of a Registered Note, called for redemption.

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

In the case of a Global Note cleared through the CMU Service, the person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service in accordance with the CMU Rules (as notified by the CMU Service to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error)) shall be the only person(s) entitled (in the case of Registered Notes, directed or deemed by the CMU Service as entitled) to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service in respect of each amount so paid. All payments in respect of the Global Note by the Issuer will be made through the CMU Lodging and Paying Agent to the persons so notified to it by the CMU Service in accordance with the CMU Rules.

In the case of Registered Notes cleared through CREST, title to the Notes is recorded on the relevant Operator register of corporate securities. The Registrar on behalf of the Issuer shall maintain a register (the **Register**) of such Notes recorded on the relevant Operator register of corporate securities and shall procure that the Register is regularly updated to reflect the Operator register of corporate securities in accordance with the rules and practices from time to time of the Operator and the Regulations. Subject to this requirement, (i) each person who is for the time being shown in the Register as the holder of such Notes shall be treated by the Issuer, the Trustee and the Registrar as the holder of such Notes for all purposes and (ii) none of the Issuer, the Trustee or the Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Register which the Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to such Notes (and the expressions **Noteholder, holder of Notes and holders** and related expressions shall be construed accordingly).

Registered Notes cleared through CREST may be transferred in accordance with the Regulations and the rules, procedures and practices of the relevant Operator and title will pass upon registration of the transfer in the Operator register of corporate securities. No transfer of such Notes will be valid unless and until entered on the relevant Operator register of corporate securities (as defined in and in accordance with, the Regulations).

No provisions of these Conditions, amended in accordance with any applicable Pricing Supplement, shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (i) the holding of title to Registered Notes cleared through CREST (ii) the transfer of title to Registered Notes cleared through CREST by means of a relevant system or (iii) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the applicable Pricing Supplement, so long as Registered Notes cleared through CREST are participating securities, (a) any such Registered Notes which are not for the time being in all respects identical to, or do not for the time being have rights attached thereto identical in all respects to those attached to, other Registered Notes cleared through CREST of the same Series shall be deemed to constitute a separate Series of Notes, (b) the Register relating to Registered Notes cleared through CREST shall be maintained at all times in the United Kingdom, (c) Registered Notes cleared through CREST will be issued in uncertificated form in accordance with and subject as provided in the Regulations; and (d) for the avoidance of doubt, these Conditions and the applicable Pricing Supplement in relation to any Registered Notes cleared through CREST shall remain applicable notwithstanding that they are not endorsed on any certificate for such Registered Notes.

As used herein, each of **Operator register of corporate securities, participating securities, and relevant system** is as defined in the Regulations and the relevant Operator (as such term is used in the Regulations) is CREST or any additional or alternative Operator approved by the Issuer from time to time in accordance with the Regulations and notified to the relevant Noteholders in accordance with Condition 23.

Any indication herein that the Operator “shall” do, or similar expression or phrase indicating that they are obliged to or will carry out any role or obligation described in these Conditions and/or the applicable Pricing Supplement, as the case may be, is given without any assumption by the Issuer, the Trustee, the relevant Registrar or the Calculation Agent of responsibility or liability for the performance of the Operator.

Any reference to **Euroclear** and/or **Clearstream, Luxembourg** and/or the **CMU Service** shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system (other than CREST) approved by the Issuer, the Trustee and the Agent.

As used herein, **Calculation Agent** means NatWest Markets Plc or any other person specified as the calculation agent in the applicable Pricing Supplement.

2. Status of the Notes

The Notes and the Receipts and Coupons relating thereto (if any) constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save to the extent that laws affecting creditors’ rights generally in a bankruptcy or winding up may give preference to any of such other obligations) equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

3. Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date to (but excluding) the Maturity Date at the rate(s) per annum equal to the Rate(s) of Interest and such interest shall be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will be the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

If the Fixed Coupon Amount is not specified in the applicable Pricing Supplement or interest is required to be calculated for a period (the **Relevant Period**) ending other than on an Interest Payment Date, such interest shall be calculated as described in the following paragraph.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note or a Global Certificate, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or such Global Certificate, as the case may be (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form and Notes cleared through CREST, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of (x) the amount (determined in the manner provided above) for the Calculation Amount and (y) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In this Condition 3(a):

Day Count Fraction has the meaning given to it in Condition 3(c);

euro has the meaning given to it in Condition 3(c);

Fixed Interest Period means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date; and

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

(b) *Interest on Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Government Bond Linked Interest Notes, Fund Linked Interest Notes, Inflation Index Linked Interest Notes and Certificate Linked Interest Notes.*

(i) Interest Payment Dates

Each Floating Rate Note, Index Linked Interest Note, Equity Linked Interest Note, Currency Linked Interest Note, Commodity Linked Interest Note, Government Bond Linked Interest Note, Fund Linked Interest Note, Inflation Index Linked Interest Note and Certificate Linked Interest Note bears interest from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) (each an **Interest Payment Date**) in each year specified in the applicable Pricing Supplement; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each also an **Interest Payment Date**) which (save as otherwise mentioned in these Conditions or specified in the applicable Pricing Supplement) falls the number of months or such other periods specified as the specified period(s) in the applicable Pricing Supplement (each a **Specified Period**) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Rate of Interest

The rate of interest (the **Rate of Interest**) payable from time to time in respect of this Note if it is a Floating Rate Note, an Index Linked Interest Note, an Equity Linked Interest Note, a Currency Linked Interest Note, a Commodity Linked Interest Note, a Government Bond Linked Interest Note, a Fund Linked Interest Note, an Inflation Index Linked Interest Note or a Certificate Linked Interest Note, will be determined in the manner specified in the applicable Pricing Supplement.

(iii) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the margin (if any) specified in the applicable Pricing Supplement (the **Margin**).

For the purposes of this sub-paragraph (iii), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent was acting as Swap Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period equal to that Interest Period; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (iii), (a) **ISDA Definitions** means the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series, and, if specified in the relevant Pricing Supplement, as supplemented by the ISDA Benchmarks Supplement, published by the International Swaps and Derivatives Association, Inc. and (b) **Floating Rate, Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those terms in the ISDA Definitions and (c) **Swap Calculation Agent** has the meaning given to the term Calculation Agent in the ISDA Definitions and (d) **Euro-zone** means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty and (e) **ISDA Benchmarks Supplement** means the Benchmarks Supplement (as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) published by the International Swaps and Derivatives Association, Inc.

Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

For the purposes of this Condition 3, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date which may or may not be the same number of months or other period throughout the life of the Notes.

When this sub-paragraph (iii) applies, in respect of each relevant Interest Period:

- (A) the Rate of Interest for such Interest Period will be the Floating Rate determined by the Calculation Agent in accordance with this sub-paragraph (iii) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and
- (B) the Calculation Agent will be deemed to have discharged its obligations under Condition 3(b)(vii) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

- (iv) Screen Rate Determination for Floating Rate Notes (other than Floating Rate Notes which reference the Sterling Overnight Index Average (**SONIA**))

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Pricing Supplement is not SONIA, the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 3(g), be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page);
or
- (B) (subject as below) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations (if there is more than one quotation on the Relevant Screen Page)

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time) in the case of LIBOR or 11.00 a.m. (Brussels time) in the case of EURIBOR on the Interest Determination Date in question (as indicated in the applicable Pricing Supplement) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at such time, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks (as defined below) or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the London inter-bank market as at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, to leading banks in the Euro-zone inter-bank market as at 11.00 a.m. (Brussels time), on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such an offered quotation as provided above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded as provided above) of the rates, as

communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (London time) in the case of LIBOR or, 11.00 a.m. (Brussels time) in the case of EURIBOR, on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately 11.00 a.m. (London time), in the case of LIBOR, or 11.00 a.m. (Brussels time), in the case of EURIBOR, on the relevant Interest Determination Date, any one or more banks selected by the Calculation Agent for the purpose (which bank or banks shall be so selected after consultation with the Issuer and shall not include any bank or banks which in the opinion of the Issuer is not or are not suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this paragraph, the expression **Reference Banks** means the principal office in the principal financial centre of the Specified Currency of four major banks in the money, securities or other market most closely connected with the relevant Reference Rate as selected by the Issuer on the advice of an investment bank of international repute and **Euro-zone** means the region comprised of member states of the European Union that have adopted or, during the lifetime of the Notes, adopt the euro as the single currency in accordance with the Treaty.

If the Reference Rate from time to time in respect of this Note is specified in the applicable Pricing Supplement as being other than the LIBOR or EURIBOR, the Rate of Interest in respect of this Note will be determined as provided in the applicable Pricing Supplement.

(v) Screen Rate Determination for Floating Rate Notes which reference SONIA

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Pricing Supplement is SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Pricing Supplement) the Margin, all as determined by the Calculation Agent.

For the purposes of this paragraph (v):

Compounded Daily SONIA means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

d means, for any Interest Period, the number of calendar days in such Interest Period;

d₀ means, for any Interest Period, the number of London Banking Days in such Interest Period;

i means, for any Interest Period, a series of whole numbers from one to d₀, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to, but excluding, the last London Banking Day in such Interest Period;

London Banking Day or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i means, for any London Banking Day "i", the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

Observation Period means, in respect of an Interest Period, the period from, and including, the date which is "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding the date which is "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

p means the whole number specified as the Observation Look-back Period in the applicable Pricing Supplement, such number representing a number of London Business Days;

SONIA_i means, in respect of any London Banking Day, "i", a reference rate equal to the daily SONIA rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page on the London Banking Day immediately following such London Banking Day; and

SONIA_{i-pLBD} means, in respect of any London Banking Day falling in the relevant Observation Period, the SONIA rate for the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i".

If, in respect of any London Banking Day in the relevant Observation Period, the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the

relevant authorised distributors, such SONIA rate shall be: (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event of the Bank of England publishing guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Calculation Agent shall, in consultation with the Issuer, follow such guidance in order to determine the SONIA rate, for purposes of the Notes, for so long as the SONIA rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 19, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(vi) Minimum and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period determined in accordance with the above provisions shall in no event be less than such Minimum Rate of Interest. If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then the Interest Rate for such Interest Period determined in accordance with the above provisions shall in no event exceed such Maximum Rate of Interest.

(vii) Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent, in the case of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Government Bond Linked Interest Notes, Fund Linked Interest Notes, Inflation Index Linked Interest Notes and Certificate Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Government Bond Linked Interest Notes, Fund Linked Interest Notes, Inflation Index Linked Interest Notes or Certificate Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Government Bond Linked Interest Notes, Fund Linked Interest Notes, Inflation Index Linked Interest Notes or Certificate Linked Interest Notes which are represented by a Global Note or a Global Certificate, as the case may be, the aggregate outstanding nominal amount of the Notes represented by such Global Note or such Global Certificate, as the case may be (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Government Bond Linked Interest Notes, Fund Linked Interest Notes, Inflation Index Linked Interest Notes or Certificate Linked Interest Notes in definitive form, and Notes which are cleared through CREST, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note, an Index Linked Interest Note, an Equity Linked Interest Note, a Currency Linked Interest Note, a Commodity Linked Interest Note a Government Bond Linked Interest Note, a Fund Linked Interest Note, an Inflation Index Linked Interest Note or a Certificate Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

In the case of Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Government Bond Linked Interest Notes, Fund Linked Interest Notes, Inflation Index Linked Interest Notes and Certificate Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for each Interest Period as soon as practicable after calculating the same.

(viii) Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest

Notes, Government Bond Linked Interest Notes, Fund Linked Interest Notes, Inflation Index Linked Interest Notes or Certificate Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 23 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined in Condition 1) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Government Bond Linked Interest Notes, Fund Linked Interest Notes, Inflation Index Linked Interest Notes or Certificate Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 23.

(ix) Certificates to be Final

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

(c) *Day Count Fraction and Business Day Convention*

(i) Day Count Fraction

Day Count Fraction means, in respect of the calculation of an amount for any period of time (the **Calculation Period**):

1. if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
2. if **Actual/365 (Fixed)** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
3. if **Actual/360** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

4. if **30/360, 360/360** or **Bond Basis** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

- Y₁** is the year, expressed as a number, in which the first day of the Calculation Period falls;
- Y₂** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- M₁** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- M₂** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- D₁** is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- D₂** is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30

5. if **30E/360** or **Eurobond Basis** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

- Y₁** is the year, expressed as a number, in which the first day of the Calculation Period falls;
- Y₂** is the year, expressed as a number, in which the day immediately following

the last day included in the Calculation Period falls;

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

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

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

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

6. if **30E/360 (ISDA)** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

7. if **Actual/Actual (ICMA)** is specified in the applicable Pricing Supplement:
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

Determination Period means the period from (and including) a Determination Date (as specified in the applicable Pricing Supplement) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

Reference Rate means the rate specified as such in the Pricing Supplement.

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the Pricing Supplement.

- (ii) Business Day Convention

If any Interest Payment Date (or other date) which is specified in the applicable Pricing Supplement to be subject to adjustment in accordance with a business day convention would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (1) in the case where a Specified Period is specified in accordance with Condition 3(b)(i)(B), the Floating Rate Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby

fall into the next calendar month, in which event (a) such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day and (b) after the foregoing paragraph (a) shall have applied, each subsequent Interest Payment Date (or other date) shall be the last Business Day of the last month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (2) the Following Business Day Convention (Adjusted), such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Following Business Day Convention (Unadjusted), (i) for the purpose of calculating the amount of interest payable under the Notes, such Interest Payment Date shall not be adjusted and (ii) for any other purpose, such Interest Payment Date shall be postponed to the next day that is a Business Day; or
- (4) the Modified Following Business Day Convention (Adjusted), such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (5) the Modified Following Business Day Convention (Unadjusted), (i) for the purpose of calculating the amount of interest payable under the Notes, such Interest Payment Date shall not be adjusted and (ii) for any other purpose, such Interest Payment Date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding day that is a Business Day; or
- (6) the Preceding Business Day Convention (Adjusted), such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (7) the Preceding Business Day Convention (Unadjusted), (i) for the purpose of calculating the amount of interest payable under the Notes, such Interest Payment Date shall not be adjusted and (ii) for any other purpose, such Interest Payment Date shall be brought forward to the immediately preceding day that is a Business Day.

In these Conditions:

Business Day means (unless otherwise stated in the applicable Pricing Supplement):

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Pricing Supplement and if a Global Note representing the Notes is cleared through

the CMU Service, a day (other than a Saturday, Sunday or a public holiday) on which the CMU Service is operating; and

- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London) which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively and which, if the Specified Currency is Renminbi, shall be Hong Kong or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET System**) is open; and

euro means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended (the **Treaty**).

(d) *Accrual of Interest*

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

- (1) 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
- (2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent or the Trustee in the case of Bearer Notes or the Registrar or the Trustee in the case of Registered Notes and/or all assets in respect of such Note have been received by any agent appointed by the Issuer to deliver such assets to Noteholders and notice to that effect has been given to the Noteholders in accordance with Condition 23

Provided That if Condition 10(b), Condition 10(c) or Condition 10(d) applies in respect of the Notes, subject to Condition 10(j), and

- (A) **Accrual of Interest upon Credit Event** is specified as not applying in the applicable Pricing Supplement, each Note shall cease to bear interest from the Interest Payment Date (or, if none, the Interest Commencement Date) immediately preceding the Event Determination Date, or if the Event Determination Date is an Interest Payment Date (or, as the case may be, the Interest Commencement Date) such Interest Payment Date (or, as the case may be, the Interest Commencement Date); or

- (B) **Accrual of Interest upon Credit Event** is specified as applying in the applicable Pricing Supplement, each Note shall cease to bear interest from the Event Determination Date and the final payment of interest shall be payable on the Credit Event Redemption Date, Auction Credit Event Redemption Date, Physical Settlement Date or Partial Cash Settlement Date, as applicable and no further interest shall be payable in respect of such delay; and

Provided Further That if

- (A) the Notes are redeemed pursuant to Condition 10(g), Condition 10(h) or Condition 10(i); or
- (B) Condition 10(j) applies pursuant to an adjustment to, or reversal of, an Event Determination Date,

then interest will accrue as provided in Condition 10(g), Condition 10(h), Condition 10(i) or Condition 10(j), as the case may be.

- (e) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes, subject as specified in the applicable Pricing Supplement.

- (f) *Nature of the Return*

Any interest paid to the Noteholder shall constitute consideration paid for the use of the principal and for the assumption of the risk that the Noteholder may not recover its original investment or that its return may be variable.

For the purposes of this Condition 3, references to the Agent or the Registrar in relation to all certificates, communications, opinions, determinations, calculations, quotations, decisions or related actions given, expressed, made or obtained for the purposes of the provisions of this Condition by the Agent or the Registrar shall, in the case of CMU Notes, be deemed to be references to the CMU Lodging and Paying Agent as applicable.

- (g) *Benchmark replacement*

Notwithstanding the provisions above in this Condition 3, if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines that a Benchmark Event has occurred or considers that there may be a Successor Rate, in either case, when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, then the following provisions shall apply:

- (1) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate no later than 3 Business Days prior to the Interest Determination Date (as applicable) relating to the next

succeeding Interest Period (the IA Determination Cut-off Date) for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 3(g));

- (2) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date in accordance with subparagraph (1) above, then the Issuer (in consultation, to the extent practicable, with the Calculation Agent and acting in good faith) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 3(g)); provided, however, that if this subparagraph (2) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Reference Rate prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this subparagraph (2), the Rate of Interest applicable to such Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of a preceding Interest Period (which may be the initial Rate of Interest) (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period for which the Rate of Interest was determined, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period);
- (3) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Periods (subject to the subsequent operation of this Condition 3(g));
- (4) if the Independent Adviser (in consultation with the Issuer) or (if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied) the Issuer determines that an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine, prior to the Interest Determination Date relating to the next succeeding Interest Period, the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- (5) if the Independent Adviser or the Issuer (as the case may be) determines a Successor Rate or an Alternative Reference Rate or, in each case, any Adjustment Spread, in accordance with the above provisions, the Independent Adviser or the Issuer may also, following consultation, to the extent practicable, with the Calculation Agent,

specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, Interest Payment Dates and/or the definition of the Reference Rate or Adjustment Spread applicable to the Notes (and in each case, related provisions and definitions), and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to such Successor Rate or Alternative Reference Rate (as applicable), which changes shall apply to the Notes for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(g)). Subject as provided in the Trust Deed, the Trustee shall, at the direction and expense of the Issuer, use its reasonable endeavours to effect such consequential amendments to the Trust Deed, the Agency Agreement and these Terms and Conditions as may be required in order to give effect to this Condition 3(g) and the Trustee shall not be liable to any party for any consequences thereof (provided, however, that the Trustee shall not be obliged to agree to any such consequential amendments if the same would, in the sole opinion of the Trustee, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it). An Independent Adviser appointed pursuant to this Condition 3(g) shall act in good faith and (in the absence of bad faith, gross negligence and wilful misconduct) shall have no liability whatsoever to the Issuer, the Trustee, the Calculation Agent, the Agent or the Registrar, as the case may be or Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3(g). No Noteholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable), any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Issuer, Trustee, Calculation Agent, Agent or Registrar (if required); and

- (6) the Issuer shall promptly following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread give notice thereof and of any changes pursuant to subparagraph (5) above to the Trustee, the Calculation Agent, the Agent or the Registrar, as the case may be, and the Noteholders. No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer confirming (i) that a Benchmark Event has occurred or that there is a Successor Rate, (ii) the Successor Rate or Alternative Reference Rate (as applicable), (iii) where applicable, any Adjustment Spread and (iv) where applicable, the terms of any changes pursuant to subparagraph (5) above.

For the purposes of this Condition 3(g):

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines should be applied to the

relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), as a result of the replacement of the Reference Rate with the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is recommended in relation to the replacement of the relevant Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage for the purposes of determining floating rates of interest in respect of bonds denominated in the Specified Currency, where such rate has been replaced by such Successor Rate or Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser in its discretion (in consultation with the Issuer) or the Issuer in its discretion (as applicable) determines (acting in good faith) to be appropriate;

Alternative Reference Rate means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of bonds denominated in the Specified Currency or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines, each in its own discretion, acting in good faith, is most comparable to the relevant Reference Rate;

Benchmark Event means:

- (i) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the relevant Reference Rate that it will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will be prohibited from

being used or that its use will be subject to restrictions or adverse consequences;
or

- (v) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable);

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

Relevant Nominating Body means, in respect of a reference rate:

- (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which such reference rate relates, or any other central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, (d) the International Swaps and Derivatives Association, Inc. or any part thereof, or (e) the Financial Stability Board or any part thereof; and

Successor Rate means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the relevant Reference Rate (for the avoidance of doubt, whether or not such Reference Rate has ceased to be available) which is recommended by any Relevant Nominating Body.

4. Payments

- (a) *Method of Payment (Notes not cleared through the CMU Service)*

Subject as provided below:

- (i) payments in a Specified Currency (other than euro (as defined in Condition 3(c)) will be made at the option of the payee either by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively); and

- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws or agreements to which the Issuer or any of the Paying Agents agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 17.

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

Payments of principal in respect of definitive Bearer Notes (if issued) will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender of such definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States. Payments under paragraph (a) above made, at the option of the bearer of such definitive Bearer Note or Coupon, by cheque shall be mailed or delivered to an address outside the United States furnished by such bearer. Subject to any applicable laws and regulations, such payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. No payment in respect of any definitive Bearer Note or Coupon will be made upon presentation and surrender of such definitive Bearer Note or Coupon at any office or agency of the Issuer or any Paying Agent in the United States, nor will any such payment be made by transfer to an account, or by mail to an address, in the United States.

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender of the relevant definitive Bearer Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains, against which the amount payable in respect of the relevant instalment will be paid. If any definitive Bearer Notes are redeemed or become payable prior to the Maturity Date, principal will be payable on surrender of such Bearer Notes together with all unmatured Receipts appertaining thereto. Unmatured Receipts and Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Index Linked Notes, Equity Linked Notes, Credit Linked Notes, Currency Linked Notes, Commodity Linked Notes, Government Bond Linked Notes, Fund Linked Notes, Inflation Index Linked Notes, Certificate Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with

all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the full amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the full amount of such missing unmatured Coupon as the sum so paid bears to the total sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time thereafter but before the expiry of ten years after the Relevant Date (as defined in Condition 18) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 18) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Index Linked Note, Equity Linked Note, Credit Linked Note, Currency Linked Note, Commodity Linked Notes, Government Bond Linked Note, Fund Linked Note, Inflation Index Linked Note, Certificate Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

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

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

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note. No

person other than the holder of such Global Note shall have any claim against the Issuer in respect of any payments due on that Global Note.

Long Maturity Note is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

Payments of principal and interest in respect of Bearer Notes held in the CMU Service will be made to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment. All payments in respect of the Global Note by the Issuer will be made through the CMU Lodging and Paying Agent to the persons so notified.

In respect of Bearer Notes held in the CMU Service, if any date for payment in respect of any Note or Coupon upon presentation 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.

(c) *Payments on Registered Notes*

Payments of principal in respect of Registered Notes (other than Registered Notes cleared through CREST), other than instalments of principal prior to the final instalment, will be made against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Registered Notes at the specified office of the Registrar or at the specified office of any Paying Agent. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar at the close of business on the Record Date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland or Wellington,

respectively) and (in the case of payment in euro) any bank which processes payments in euro.

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

Record Date means (i) in the case of Notes represented by a Global Certificate on behalf of Euroclear, Clearstream, Luxembourg or the CMU Service, the Clearing System Business Day immediately prior to the due date for payment; and (ii) otherwise the fifteenth day before the due date for payment (whether or not such fifteenth day is a business day).

Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

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

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

The Issuer shall pay or cause to be paid any amounts due to a holder of a Registered Note cleared through CREST to such holder's cash account with the Operator for value on the relevant payment date, such payment to be made in accordance with the rules of the

Operator. The Issuer's obligations in relation to such amounts in respect of Registered Notes cleared through CREST will be discharged by payment to, or to the order of, the Operator. Each of the persons shown in the Operator register of corporate securities as the holder of a particular nominal amount of Registered Notes cleared through CREST must look solely to the Operator for his share of each such payment so made by the Issuer to, or to the order of, the Operator.

(d) *General provisions applicable to payments*

The holder of a Global Note or the registered holder of Notes represented by a Global Certificate shall be the only person entitled to receive payments in respect of the Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note or registered owner of Notes represented by a Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder such Global Note or the registered holder of Notes represented by a Global Certificate.

Notwithstanding the foregoing provisions of these Conditions, U.S. dollar payments of principal and interest in respect of the Bearer Notes will be made at the specified office of any Paying Agent in the United States (which expression, as used in this Condition, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

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

Payments of amounts in Renminbi shall be made solely by credit to a Renminbi bank account maintained at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong). Payments will be subject in all cases to any applicable issuing and paying or other laws and regulations.

(e) *Payment Date*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Date, the holder thereof shall not be entitled to payment of the amount due until the next following Payment Date in the relevant place and shall not be entitled to any interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Pricing Supplement, **Payment Date** means any day which is:

- (i) except in the case of Notes represented by a Global Note or a Global Certificate, a day on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation;
- (ii) the case of payment in euro, in the place where the euro account specified by the payee is located); and
- (iii) a Business Day (as defined in Condition 3(c)(ii)).

(f) *Interpretation of Principal*

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 10;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Issuer Optional Redemption Amount(s) (if any) of the Notes;
- (v) the Noteholder Optional Redemption Amount(s) (if any) of the Notes;
- (vi) the Credit Event Redemption Amount of the Notes;
- (vii) the Auction Credit Event Redemption Amount of the Notes;
- (viii) the Partial Cash Settlement Amount of the Notes;
- (ix) the Failure to Deliver Settlement Price (if any) in respect of the Notes;
- (x) the Disruption Cash Settlement Price (if any) in respect of the Notes;
- (xi) in relation to Instalment Notes, the Instalment Amounts;
- (xii) in relation to Partly Paid Notes, the nominal amount paid-up; and
- (xiii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

(g) *CNY Currency Event*

If “CNY Currency Event” is specified in the applicable Pricing Supplement and a CNY Currency Event, as determined by the Calculation Agent in its sole and absolute discretion, exists on a date for payment of any amount in respect of any Note, Receipt or Coupon, the Calculation Agent may determine, one or more the following, in its sole and absolute discretion:

- (i) the relevant payment of the Issuer be postponed to 5 Business Days after the date on which the CNY Currency Event ceases to exist or, if that would not be possible (as determined by the Issuer acting in good faith) as soon as reasonably practicable thereafter;
- (ii) that the Issuer’s obligation to make a payment in CNY under the terms of the Notes be replaced by an obligation to pay such amount in the Relevant Currency (converted at the Alternate Settlement Rate determined by the Calculation Agent as of a time selected in good faith by the Calculation Agent); and/or
- (iii) by giving notice to the relevant Noteholders in accordance with Condition 23, the Issuer, in its sole and absolute discretion, may redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount.

Upon the occurrence of a CNY Currency Event, the Issuer shall give notice, as soon as practicable, to the Noteholders in accordance with Condition 23 stating the occurrence of the CNY Currency Event, giving brief details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition 4(g) and unless stated otherwise in the applicable Pricing Supplement:

Alternate Settlement Rate means the spot rate between CNY and the Relevant Currency determined by the Calculation Agent, taking into consideration all available information which the Calculation Agent deems relevant (including, but not limited to, the pricing information obtained from the CNY non-deliverable market outside the PRC and/or the CNY exchange market inside the PRC).

CNY Currency Events means any one of CNY Illiquidity, CNY Non-Transferability and CNY Inconvertibility.

CNY Illiquidity means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer and/or any of its Affiliates cannot obtain sufficient CNY in order to make a payment or perform any other of its obligations under the Notes, as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

CNY Inconvertibility means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its Affiliates to convert any amount into or from CNY as may be required to be paid by the Issuer under the Notes on any payment date or such other amount as may be determined by the Calculation Agent in its sole and

absolute discretion at the general CNY exchange market in Hong Kong, other than where such impossibility, impracticability or illegality is due solely to the failure of that party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the relevant Series of Notes and it is impossible for the Issuer and/or any of its Affiliates, due to an event beyond the control of the Issuer or the relevant Affiliate, to comply with such law, rule or regulation).

CNY Non-Transferability means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its Affiliates to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the CNY clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility, impracticability or illegality is due solely to the failure of the Issuer and/or the relevant Affiliate to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer and/or any of its Affiliates, due to an event beyond the control of the Issuer and/or the relevant Affiliate, to comply with such law, rule or regulation).

Governmental Authority means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

Relevant Currency means United States dollars, Hong Kong dollars or such other currency as may be specified in the applicable Pricing Supplement.

In this Condition, **euro** has the meaning given to it in Condition 3(c)(ii).

(h) *Dividend Equivalent Payments*

In respect of any Series of Notes where the principal and/or interest in respect to such Notes is determined by reference to one or more variables such as an index, formula, security, commodity, currency exchange rate, interest rate, inflation index, the credit of one or more entities or other factor (each variable being a **Reference Asset** or, if it is comprised in a basket of variables, a **Reference Asset Component**), if the Pricing Supplement in respect of such Notes states the Notes are "Section 871(m) Notes", the Pricing Supplement shall further specify whether the "Dividend Withholding" or "Issuer Withholding" approach to withholding in relation to Section 871(m) of the U.S. Internal Revenue Code of 1986 (as amended) (**Section 871(m)**) shall be applicable to the Notes.

If "Dividend Withholding" is specified in the relevant Pricing Supplement, the relevant Pricing Supplement shall provide for the Issuer to make payments to Noteholders in respect of any dividend equivalent amounts attributable to any Reference Asset or Reference Asset Component and shall include provisions relating to the amount and timing of such payments.

If "Issuer Withholding" is specified in the relevant Pricing Supplement, the Pricing Supplement shall specify whether any dividend equivalent amounts are to be treated as

being reinvested during the term of the Notes and what portion thereof is expected as of the Issue Date to be treated for U.S. federal income tax purposes as having been withheld from a payment due to the Noteholders.

5. Redemption and Purchase

(a) *At Maturity*

Unless previously redeemed or purchased and cancelled each Note (unless it is an Index Linked Redemption Note, an Equity Linked Redemption Note, a Credit Linked Note, a Currency Linked Redemption Note, a Commodity Linked Redemption Note, a Government Bond Linked Redemption Note, a Fund Linked Redemption Note, an Inflation Index Linked Redemption Note or a Certificate Linked Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

(b) *Call Option - Redemption at the Option of the Issuer*

If the Issuer is specified in the applicable Pricing Supplement as having “Issuer Call” in respect of any Series, subject as provided in Condition 10(w) in respect of Credit Linked Notes, the Issuer may, (unless otherwise specified in the applicable Pricing Supplement), having given not less than 15 nor more than 30 days’ notice to the Agent (or, in the case of Registered Notes cleared through CREST, the Registrar) and the Trustee and, in accordance with Condition 23, the Noteholders of that Series (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes of such Series then outstanding on the date(s) specified in the applicable Pricing Supplement as the **Issuer Optional Redemption Date(s)** and at the amount(s) specified as the **Issuer Optional Redemption Amount(s)** in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Issuer Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the amount specified in the applicable Pricing Supplement as the **Minimum Redemption Amount** or not greater than the amount specified in the applicable Pricing Supplement as the **Maximum Redemption Amount**. In the case of a partial redemption of Notes of any Series, the Notes to be redeemed (**Redeemed Notes**) will, in the case of Notes not cleared through CREST, be selected individually by lot at such place and in such manner as the Agent, in the case of Bearer Notes, or the relevant Registrar, in the case of Registered Notes not cleared through CREST, may approve and deem fair and reasonable, in the case of Redeemed Notes represented by definitive Bearer or Registered Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg or the CMU Service (to be reflected in the records of Euroclear and Clearstream, Luxembourg, the CMU Service as either a pool factor or a reduction in nominal amount, at their discretion), as applicable, in the case of Redeemed Notes represented by a Global Note or a Global Certificate, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 23 not less than five days prior to the date fixed for redemption. No exchange of

the relevant Global Note or Global Certificate will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this subparagraph (b) and notice to that effect shall be given by the Issuer to the Noteholders of the relevant Series in accordance with Condition 23 at least five days prior to the Selection Date. In the case of a partial redemption of Notes of any Series cleared through CREST, the Redeemed Notes will be selected by the relevant Registrar, acting in accordance with the Registry Services Agreement, the rules of the Operator and the Regulations.

(c) *Put Option - Redemption at the Option of the Noteholders*

If the Noteholders of any Series are specified in the applicable Pricing Supplement as having “Investor Put”, subject as provided in Condition 10(w) in respect of Credit Linked Notes, upon the holder of any Note of such Series giving to the Issuer in accordance with Condition 23 not less than 15 nor more than 30 days’ notice or such other period of notice as is specified in the applicable Pricing Supplement (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in whole (but not in part), such Note on the date specified in the applicable Pricing Supplement as the **Noteholder Optional Redemption Date** (which date shall, in the case of a Floating Rate Note, be an Interest Payment Date) and at the amount specified as the **Noteholder Optional Redemption Amount** in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Noteholder Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement.

In order to exercise the right to require redemption of the Note, the holder of the Note must (i) if such Note is in definitive form, deliver such Note at the specified office of the relevant Paying Agent (in the case of Bearer Notes not cleared through the CMU Service) or the relevant Registrar (in the case of Registered Notes not cleared through CREST nor the CMU Service) on any Business Day at any time during normal business hours of such Paying Agent or Registrar, as the case may be, falling within the notice period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of the relevant Paying Agent (in the case of the Bearer Notes) or the relevant Registrar (in the case of Registered Notes not cleared through CREST nor the CMU Service) in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition, (ii) if such Note is represented by a Global Note (which is not cleared through the CMU Service) or Global Certificate, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on instruction by Euroclear and Clearstream, Luxembourg or any common depositary or safekeeper, as the case may be, to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, at the same time, present or procure the presentation of the relevant Global Note or Global Certificate to the Agent for notation accordingly, (iii) if such Note is cleared through CREST,

deliver at any time during normal business hours of the relevant Registrar, falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of the relevant Registrar in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 5(c), or (iv) if such Note is cleared through the CMU Service, deliver at any time during normal business hours of the CMU Lodging and Paying Agent, falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of the CMU Lodging and Paying Agent in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition 5(c).

(d) *Benchmark Event Redemption*

In the event that a Benchmark Event occurs, the Issuer may (at its option) give not less than 30 days' notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes (the **Benchmark Event Redemption**), each Note being redeemed at the Early Redemption Amount.

(e) *Early Redemption Amounts*

For the purposes of Condition 19, Condition 10(k)(iv), Condition 10(w)(1)(ii) and Condition 5(j) and (k), each Note will be redeemed at the Early Redemption Amount in respect of each nominal amount of the Notes equal to the Calculation Amount, being an amount in the Specified Currency determined by the Calculation Agent which represents the fair market value of such Calculation Amount immediately prior to the date on which the Notes become redeemable (ignoring for the purposes of a redemption pursuant to Condition 5(j), the relevant unlawfulness, illegality or prohibition and for the purposes of a redemption pursuant to either Condition 10(k)(iv) or Condition 10(w)(1)(ii), ignoring the relevant Constraint Event) less (except in the case of any early redemption pursuant to Condition 19) the proportionate cost to the Issuer and/or its Affiliates of unwinding any underlying and/or related hedging and funding arrangements in respect of the Notes (including without limitation, any equity options hedging the Issuer's obligations under the Notes) and for the purposes of determining the fair market value of such Calculation Amount for the purposes of Condition 19, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes, unless otherwise specified in the applicable Pricing Supplement.

(f) *Instalments*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement in accordance with Condition 4(b).

(g) *Purchases*

The Issuer or any of its subsidiaries and affiliates may at any time purchase beneficially or procure others to purchase beneficially for its account Notes of any Series (provided that, in the case of definitive Bearer Notes, all unmatured Receipts and Coupons appertaining

thereto are purchased therewith) in the open market, by tender (available to all Noteholders of a Series alike) or by private treaty. Notes purchased or otherwise acquired by the Issuer or any of its subsidiaries and affiliates may be held or resold or, at the discretion of the Issuer, surrendered to the Agent for cancellation (together with (in the case of definitive Bearer Notes) any unmatured Coupons or Receipts attached thereto or purchased therewith).

(h) *Cancellation*

All Notes which are redeemed or purchased or otherwise acquired as aforesaid and surrendered to the Agent for cancellation will forthwith be cancelled (together, in the case of definitive Bearer Notes, with all matured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption) and thereafter may not be re-issued or resold.

(i) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b) or (c) above or upon its becoming due and repayable as provided in Condition 19 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (d) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (I) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (II) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) and notice to that effect has been given to the Noteholders in accordance with Condition 23.

(j) *Illegality*

In the event that the Issuer determines in good faith that either the performance of its obligations under a Series of Notes or that any arrangements made to hedge its position under such Notes has or will become unlawful, illegal, or otherwise prohibited in whole or in part under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer may, having given not more than 30 nor less than 3 days' notice to Noteholders in accordance with Condition 23 (which notice shall be irrevocable), redeem all, but not some only, of the Notes of such Series, each Note being redeemed at the relevant Early Redemption Amount (determined in accordance with Condition 5(e)) together with, if so specified in the applicable Pricing Supplement, accrued interest.

(k) *Taxation*

In the event that the Issuer determines in good faith that either the performance of its obligations under a Series of Notes or that any arrangements made to hedge its position under such Notes: (i) has resulted in; or (ii) will result in (following a change in any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof), the Issuer or any affiliate not being entitled to tax relief in respect of any losses, costs or expenses incurred in relation to such Notes or hedging arrangements, the Issuer may, having given not more than 30 nor less than 3 days' notice to Noteholders in accordance with Condition 23 (which notice shall be irrevocable), redeem all, but not some only, of the Notes of such Series, each Note being redeemed at the relevant Early Redemption Amount (determined in accordance with Condition 5(e)) together with, if so specified in the applicable Pricing Supplement, accrued interest.

(l) *U.S. Withholding Tax on Dividend Equivalent Payments*

In the event that the Issuer determines in good faith that payment obligations under a Series of Notes or any arrangements made to hedge its position under such Notes are, in whole or in part, directly or indirectly contingent upon, or determined by reference to, the payment of a dividend from a U.S. entity and that these payments have or will become subject to U.S. withholding tax, the Issuer may, having given not more than 30 nor less than 3 days' notice to Noteholders in accordance with Condition 23 (which notice shall be irrevocable), redeem all, but not some only, of the Notes of such Series, each Note being redeemed at the relevant Early Redemption Amount (determined in accordance with Condition 5(e)) together with, if so specified in the applicable Pricing Supplement, accrued interest.

(m) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition, subject as provided in the applicable Pricing Supplement.

6. **Currency Linked Notes**

If the Notes are specified as Currency Linked Interest Notes and/or Currency Linked Redemption Notes in the applicable Pricing Supplement, the provisions of this Condition 6 apply, as applicable, as modified by the applicable Pricing Supplement.

(a) *Redemption of Currency Linked Notes*

Unless previously redeemed or purchased and cancelled, each nominal amount of the Currency Linked Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the **Specified Amount**) will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

(b) *Adjustments to a Currency Exchange Rate*

(i) Adjustments and Determination

If a day on which a Currency Exchange Rate is to be determined is not a Currency Business Day, such day may be deferred, brought forward or omitted as determined by the Calculation Agent.

(ii) Notice

Upon the Calculation Agent making a determination pursuant to (i) above, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 23 giving details of such determination.

(c) *Definitions applicable to Currency Linked Notes*

Averaging Date means, subject as provided in Condition 6(b)(i) above, each date specified as an Averaging Date in the applicable Pricing Supplement.

Currency Business Day means a day on which the relevant Currency Exchange Rate can, in the determination of the Issuer, be determined.

Currency Exchange Rate means the currency exchange rate specified in the applicable Pricing Supplement as determined by the Calculation Agent with reference to the Screen Page, provided that if the Calculation Agent determines that such rate is not displayed on the relevant Screen Page, the Currency Exchange Rate shall be determined by the Calculation Agent in good faith acting in a commercially reasonable manner.

Observation Date means, subject as provided in Condition 6(b)(i) above, each date specified as an Observation Date in the applicable Pricing Supplement.

Screen Page means the screen page for the Currency Exchange Rate set out in the applicable Pricing Supplement.

Valuation Time means the time specified in the applicable Pricing Supplement.

Valuation Date means, subject as provided in Condition 6(b)(i) above, the date specified as the Valuation Date in the applicable Pricing Supplement.

7. Index Linked Notes

If the Notes are specified as Index Linked Interest Notes and/or Index Linked Redemption Notes in the applicable Pricing Supplement, the provisions of this Condition 7 apply, as applicable, as modified by the applicable Pricing Supplement.

(a) *Redemption of Index Linked Notes*

Unless previously redeemed or purchased and cancelled, each nominal amount of the Index Linked Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the **Specified Amount**) will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

(b) *Adjustments to an Index*

(i) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (a **Successor Index Sponsor**) acceptable to the Calculation Agent or (B) 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.

(ii) Modification and Cessation of Calculation of an Index

If (A) on or prior to the Valuation Date or an Averaging Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an **Index Modification**) or permanently cancels the Index and no Successor Index exists (an **Index Cancellation**), or (B) on the Valuation Date or an Averaging Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an **Index Disruption** and together with an Index Modification and an Index Cancellation, each an **Index Adjustment Event**), then the Issuer may take 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 Notes and, if so, to calculate the Reference Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the Valuation Date or that 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/commodities that comprised that Index immediately prior to that Index Adjustment Event;
- (b) give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

(iii) Notice

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 23 giving details of the action proposed to be taken in relation thereto.

(iv) Correction of an Index

If Correction of an Index is specified as applying in the applicable Pricing Supplement and the official closing level of an Index published on the Valuation Date or an Averaging Date is subsequently corrected and the correction (the **Corrected Index Level**) is published by the Index Sponsor or (if applicable) the Successor Index Sponsor prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Index Level shall be deemed to be the closing level for such Index for the Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Index Level in determining the relevant Rate of Interest and/or Interest Amount(s) (in respect of Notes specified as Index Linked Interest Notes in the applicable Pricing Supplement) and/or the Final Redemption Amount (in respect of Notes specified as Index Linked Redemption Notes in the applicable Pricing Supplement).

(c) *Definitions applicable to Index Linked Notes*

Averaging Date means each date specified as an Averaging Date in the applicable Pricing Supplement or (if any such date is not a Scheduled Trading Day) the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) if **Omission** is specified in the applicable Pricing Supplement as applying, then such date will be deemed not to be an Averaging Date for purposes of determining the relevant Rate of Interest and/or Interest Amount(s) (in respect of Notes specified as Index Linked Interest Notes in the applicable Pricing Supplement) and/or the Final Redemption Amount (in respect of Notes specified as Index Linked Redemption Notes in the applicable Pricing Supplement) 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 the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **Postponement** is specified in the applicable Pricing Supplement as applying, then the provisions of the definition of "Valuation Date" will apply for 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 in the applicable Pricing Supplement as applying:

- (i) where the Notes relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of “Valuation Date” below; and
- (ii) where the 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 (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 in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of “Valuation Date” below;

Disrupted Day means (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index, (b) any Related Exchange fails to open for trading during its regular trading session or (c) a Market Disruption Event has occurred.

Early Closure means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (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; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

Exchange means:

- (a) where the relevant Index is not specified in the applicable Pricing Supplement as being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and
- (b) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, in relation to each component security of that Index (each a **Component Security**), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

Exchange Business Day means either (i) where the relevant Index is not specified in the applicable Pricing Supplement as being a Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, any Scheduled Trading Day on which (a) the Index Sponsor publishes the level of the Index and (b) each 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 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 any Related Exchange.

Indices and **Index** mean, subject to adjustment in accordance with Condition 7(b), the indices or index specified in the applicable Pricing Supplement and related expressions shall be construed accordingly.

Index Sponsor means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Pricing Supplement.

Market Disruption Event means, in respect of an Index,

- (x) where such Index is specified in the Pricing Supplement as not being a Multi-Exchange Index:
 - (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
 - (i) 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) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or
 - (B) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
 - (ii) 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 (A) to effect transactions in, or obtain market values for, on any relevant Exchange(s), securities that comprise 20 per cent. or more of the level of the relevant Index, or (B) 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) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material; or

- (y) where such Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, in respect of a Component Security included in such Index either:
 - (l) the occurrence or existence, in respect of any Component Security, of:
 - (i) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;

- (ii) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; OR
- (iii) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material; AND

either:

- (1) where the applicable Pricing Supplement does not specify that the X Percentage applies, 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
- (2) where the applicable Pricing Supplement specifies that the X Percentage applies, the sum of (A) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists and (B) the X Percentage, comprises 20 per cent. or more of the level of the Index:

OR

- (II) the occurrence or existence, in respect of futures or options contracts relating to the Index, of:
 - (a) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange;
 - (b) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange; or
 - (c) an Early Closure,

in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in relation to an Index or in respect of a Component Security at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the Index or such Component Security at that time, then the relevant percentage contribution of that security or Component Security, as the case may be, to the level of that Index shall be based on a comparison of (i) the portion of the level of that Index attributable to that security or Component Security, as the case may be, and (ii) the overall level of that Index, in each case either (a) except where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, immediately before the occurrence of such Market Disruption Event or (b) where the relevant Index is specified in the applicable Pricing

Supplement as being a Multi-Exchange Index, using the official opening weightings as published by the Index Sponsor as part of the market “opening data”.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 23 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date, as the case may be. Without limiting the obligation of the Calculation Agent to give notice to the Noteholders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Noteholders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

Reference Price means, in respect of an Index, an amount equal to the official closing level of the Index as determined by the Calculation Agent (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Pricing Supplement, the level of the Index determined by the Calculation Agent at such Valuation Time) on (i) if a Valuation Date is specified in the applicable Pricing Supplement, the Valuation Date (as defined below) or (ii) if Averaging Dates are specified in the applicable Pricing Supplement, an Averaging Date and, in either case, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction.

Related Exchange means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the applicable Pricing Supplement, “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 option contracts relating to such Index.

Scheduled Closing Time means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

Scheduled Trading Day means (i) where the relevant Index is specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions or (ii) where the relevant Index is specified in the applicable Pricing Supplement as being a Multi-Exchange Index, (a) any day on which the Index Sponsor is scheduled to publish the level of that Index, (b) each Related Exchange is scheduled to be open for trading for its regular trading session and (c) where the applicable Pricing Supplement specifies that the X Percentage applies in relation to such Index, no more than 20 per cent. of the Component Securities that comprise the level of such Index are

scheduled to be unavailable for trading on the relevant Exchange(s) by virtue of such day not being a day upon which any such relevant Exchange is scheduled to be open for trading for its regular trading sessions (such unavailable percentage being the **X Percentage**).

For the purposes of determining the X Percentage, the relevant percentage contribution of each Component Security unavailable for trading shall be based on a comparison of (a) the portion of the level of that Index to that Component Security relative to (b) the overall level of that Index, in each case using the official opening weightings as published by the relevant Index Sponsor as part of the market "opening data".

Strike Price means the amount specified as such in the applicable Pricing Supplement.

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.

Trading Disruption means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (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 any Related Exchange.

Valid Date means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

Valuation Date means the date specified as such in the applicable Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (a) where the Notes are specified in the applicable Pricing Supplement to relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date (notwithstanding the fact that such day is a Disrupted Day) and (ii) the Calculation Agent shall determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not practicable, determine the Reference Price by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant

security/commodity as of the Valuation Time on that eighth Scheduled Trading Day);
or

- (b) where the Notes are specified in the applicable Pricing Supplement to 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 and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an **Affected Index**) shall be the next following Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine the Reference Price using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

Valuation Time means:

- (i) in respect of each Index specified in the applicable Pricing Supplement as not being a Multi-Exchange Index, the Relevant Time specified in the applicable Pricing Supplement or if no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to such Index. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (ii) in respect of each Index specified in the applicable Pricing Supplement as being a Multi-Exchange Index, (a) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange and (y) in respect of any options contracts or futures contracts on the relevant Index, the close of trading on the relevant Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (a) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

8. Equity Linked Notes

If the Notes are specified as Equity Linked Interest Notes and/or Equity Linked Redemption Notes in the applicable Pricing Supplement, the provisions of this Condition 8 apply, as applicable, as modified by the applicable Pricing Supplement.

In addition, if “Exchange Traded Fund” is specified to apply in the applicable Pricing Supplement, the provisions set out in the Schedule hereto shall apply. In the case of any inconsistency between the provisions of the Schedule hereto (if applicable) and this Condition 8, the provisions set out in the Schedule hereto shall prevail.

(a) *Redemption of Equity Linked Notes*

Unless previously redeemed or purchased and cancelled, each nominal amount of Equity Linked Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the **Specified Amount**) will be redeemed by the Issuer (A) if Cash Settlement is specified in the applicable Pricing Supplement, by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date or (B) if Physical Delivery is specified in the applicable Pricing Supplement, by delivery of the Asset Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date (subject as provided below) or (C) if Cash Settlement and/or Physical Delivery is specified in the applicable Pricing Supplement, by payment of the Final Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the applicable Pricing Supplement, in each case on the Maturity Date (subject as provided below).

(b) *Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked Notes in respect of Underlying Equities quoted in European Currencies and Correction of Underlying Equity Prices*

(i) If Potential Adjustment Events are specified in the applicable Pricing Supplement, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Underlying Equities and, if so, will (a) make the corresponding adjustment, if any, to any one or more of the relevant Rate of Interest and/or Interest Amount(s) (in respect of Notes specified as Equity Linked Interest Notes in the applicable Pricing Supplement), the Final Redemption Amount (in respect of Notes specified as Equity Linked Redemption Notes in the applicable Pricing Supplement) and/or the Asset Amount and/or the Strike Price and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustment will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the Underlying Equity) including (unless “Equity Substitution” is specified as not applying in the applicable Pricing Supplement) the substitution of the Underlying Equity (the

Substituted Equity) the subject of the Potential Adjustment Event by a share selected by the Calculation Agent from the Reference Index (the **New Equity**) and (b) determine the effective date of that adjustment. Unless “Equity Substitution” is specified as not applying in the applicable Pricing Supplement, if the Calculation Agent selects a New Equity in substitution for the Substituted Equity, the Issuer shall make such other adjustments to these Conditions as it deems appropriate. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equities traded on that options exchange.

In making any determination in respect of any such adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Calculation Agent shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Calculation Agent, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Noteholders, Receiptholders or Couponholders.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 23, stating the adjustment to the relevant Rate of Interest and/or Interest Amount(s) (in respect of Notes specified as Equity Linked Interest Notes in the applicable Pricing Supplement), the Final Redemption Amount (in respect of Notes specified as Equity Linked Redemption Notes in the applicable Pricing Supplement) and/or the Asset Amount and/or the Strike Price and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement and giving brief details of the Potential Adjustment Event.

- (ii) If (x) De-listing, Merger Event, Nationalisation and Insolvency is specified as applying in the applicable Pricing Supplement and/or (y) Tender Offer is specified as applying in the applicable Pricing Supplement and (in the case of (x)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (y)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, the Issuer may:
 - (A) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the relevant Rate of Interest and/or Interest Amount(s) (in respect of Notes specified as Equity Linked Interest Notes in the applicable Pricing Supplement), the Final Redemption Amount (in respect of Notes specified as Equity Linked Redemption Notes in the applicable Pricing Supplement) and/or the

Asset Amount and/or the Strike Price and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, including (unless “Equity Substitution” is specified as not applying in the applicable Pricing Supplement) the substitution of the Substituted Equity the subject of the De-listing, Merger Event, Nationalisation, Insolvency or Tender Offer by a New Equity and determine the effective date of that adjustment; or

- (B) give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, with each Specified Amount being redeemed at the Early Redemption Amount (determined in accordance with the applicable Pricing Supplement) together with, if so specified in the applicable Pricing Supplement, accrued interest.

If the provisions of Condition 8(b)(ii)(A) apply the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency or Tender Offer, as the case may be, made by an options exchange to options on the Underlying Equities traded on that options exchange.

Unless “Equity Substitution” is specified as not applying in the applicable Pricing Supplement, if the Calculation Agent selects a New Equity in substitution for the Substituted Equity, the Issuer shall make such other adjustments to these Conditions as it deems appropriate.

In making any determination in respect of any such adjustment, the Issuer and/or Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Issuer and/or Calculation Agent shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Calculation Agent, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Noteholders, Receiptholders or Couponholders.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Nationalisation or Insolvency or Tender Offer, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 23 stating the occurrence of the De-listing, Merger Event, Nationalisation or Insolvency or Tender Offer, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

- (iii) In respect of Equity Linked Notes relating to Underlying 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 establishing the European Community, as amended, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the relevant Rate of Interest and/or Interest Amount(s) (in respect of Notes specified as Equity Linked Interest Notes in the applicable Pricing Supplement), the Final Redemption Amount (in respect of Notes specified as Equity Linked Redemption Notes in the applicable Pricing Supplement) and/or the Asset Amount and/or the Strike Price and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement as the Calculation Agent determines to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for the 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 Condition 8(b)(iii) will affect the currency denomination of any payments in respect of the Notes.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 23, stating the adjustment to the Final Redemption Amount and/or the Asset Amount and/or the Strike Price and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement.

- (iv) If Correction of Underlying Equity Prices is specified as applying in the applicable Pricing Supplement and the price of an Underlying Equity published on the Valuation Date or an Averaging Date, as the case may be, is subsequently corrected and the correction (the **Corrected Underlying Equity Price**) is published on the relevant Exchange prior to the Correction Cut-Off Date specified in the applicable Pricing Supplement, then such Corrected Underlying Equity Price shall be deemed to be the closing price for such Underlying Equity for the Valuation Date or the Averaging Date, as the case may be, and the Calculation Agent shall use such Corrected Underlying Equity Price in determining the relevant Rate of Interest and/or Interest Amount(s) (in respect of Notes specified as Equity Linked Interest Notes in the applicable Pricing Supplement) and/or the Final Redemption Amount (in respect of Notes specified as Equity Linked Redemption Notes in the applicable Pricing Supplement).

(c) *Physical Delivery*

- (i) If Physical Delivery is specified in the applicable Pricing Supplement as applying in relation to an Equity Linked Redemption Note and the Notes are in definitive bearer form, the Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided in Condition 9 on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the **Delivery Date**), provided that the

Asset Transfer Notice (as defined in Condition 9) is duly delivered and copied to the Issuer as provided in Condition 9, not later than the close of business in each place of receipt on the Cut-Off Date specified in the applicable Pricing Supplement.

If, in respect of any Note in definitive form, the holder thereof fails to deliver an Asset Transfer Notice as provided herein with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-Off Date, then the Asset Amount(s) in respect of such Note will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Noteholder in the manner provided above. 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 Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the Issuer.

If, in respect of any Note in definitive form, the holder thereof fails to give an Asset Transfer Notice as provided herein with a copy to the Issuer, not later than the close of business in each place of receipt on the Final Date, then the Issuer shall have no further liability or obligation whatsoever in respect of such Note.

- (ii) If Physical Delivery is specified in the applicable Pricing Supplement as applying in relation to an Equity Linked Redemption Note and the Notes are Bearer Notes represented by a Global Note, or are Registered Notes represented by a Global Certificate, the Asset Amount(s) will be delivered at the risk of the relevant Noteholder, in the manner provided in Condition 9 on the Maturity Date (such date, subject to adjustment in accordance with Condition 8(c)(iii) below, also the **Delivery Date**).
- (iii) If, prior to the delivery of the Asset Amount(s) in accordance with this Condition, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Note shall be postponed until the date on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Noteholder in accordance with Condition 23. 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 Asset Amount(s) pursuant to this paragraph. Where delivery of the Asset Amount(s) has been postponed as provided in this paragraph 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 Asset Amount(s) 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

Condition 23. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 23.

Where the Asset Amount 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 Asset Amount comprising of 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 Asset Amounts), and an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets which have not been delivered, as calculated by the Calculation Agent 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). Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 23.

For the purposes of the Notes (i) the Issuer shall be under no obligation to register or procure the registration of any Noteholder or any other person as the registered shareholder in the register of members of any Equity Issuer, (ii) the Issuer shall not be obliged to account to any Noteholder or any other person for any entitlement received or that is receivable in respect of any Underlying Equities comprising the Asset Amount(s) in respect of any Note if the date on which the Underlying Equities are first traded on the relevant Exchange ex such entitlement is on or prior to the Maturity Date and (iii) any interest, dividend or other distribution in respect of any Asset Amount will be payable to the party that would receive such interest, dividend or other distribution according to market practice for a sale of the relevant Underlying Equity executed on the Maturity Date and to be delivered in the same manner as the Asset Amount. Any such interest dividend or other distribution to be paid to a Noteholder shall be paid to the account specified in the relevant Asset Transfer Notice.

(d) *Failure to Deliver due to Illiquidity*

If Failure to Deliver due to Illiquidity is specified as applying in the applicable Pricing Supplement 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 Asset Amount (the **Affected Relevant Assets**), where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a Failure to Deliver), then:

- (i) subject as provided elsewhere in these Conditions and/or the applicable Pricing Supplement, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Delivery Date in accordance with Condition 8(c) and Condition 9; and
- (ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and 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 in respect of each Specified Amount the Failure to Deliver Settlement Price on the fifth Business Day following the date the Failure to Deliver Notice is given to the Noteholders in accordance with Condition 23. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 23. The Calculation Agent shall give notice (such notice a **Failure to Deliver Notice**) as soon as reasonably practicable to the Noteholders in accordance with Condition 23 that the provisions of this Condition 8(d) apply.

(e) *Definitions applicable to Equity Linked Notes*

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. Notwithstanding the foregoing, the term "Affiliate" shall not include, in the context of the Issuer or any other member of the RBS Group, (i) the United Kingdom government or any member or instrumentality thereof, including Her Majesty's Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof) or (ii) any persons or entities controlled by or under common control with the United Kingdom government or any member or instrumentality thereof (including Her Majesty's Treasury and UK Financial Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiary or subsidiary undertakings (including The Royal Bank of Scotland N.V. and each of its subsidiary or subsidiary undertakings) (the **RBS Group**).

Asset Amount has the meaning given in the applicable Pricing Supplement.

Averaging Date means each date specified as an Averaging Date in the applicable Pricing Supplement or (if any such date is not a Scheduled Trading Day) the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) if **Omission** is specified in the applicable Pricing Supplement as applying, then such date will be deemed not to be an Averaging Date for purposes of determining the relevant Rate of Interest and/or Interest Amount(s) (in respect of Notes specified as Equity Linked Interest Notes in the applicable Pricing Supplement) and/or the Final Redemption Amount (in respect of Notes specified as Equity Linked Redemption Notes in the applicable Pricing Supplement) 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 the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **Postponement** is specified in the applicable Pricing Supplement as applying, then the provisions of the definition of "Valuation Date" will apply for 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 in the applicable Pricing Supplement as applying:

(i) where the Notes relate to a single Underlying Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether the eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below; and

(ii) where the Notes relate to a Basket of Underlying Equities, the Averaging Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Underlying Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Underlying Equity. If the first succeeding Valid Date in relation to such Underlying Equity has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for such Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below;

De-listing means, in respect of any Underlying Equity, the Exchange announces that pursuant to the rules of such Exchange, such Underlying Equity ceases (or will cease), to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) or another exchange or quotation system located in another country which exchange or quotation system and country is deemed acceptable by the Calculation Agent.

Disruption Cash Settlement Price means an amount equal to the fair market value of the relevant Note (but not taking into account any interest accrued on such Note as such interest shall be paid pursuant to Conditions 3 and 4) 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 adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any Affiliate of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent.

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.

Exchange means, in respect of an Underlying Equity, each exchange or quotation system specified as such for such Underlying Equity in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange).

Exchange Business Day means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Failure to Deliver Settlement Price means, in respect of each Specified Amount, the fair market value of the Affected Relevant Assets on a Business Day selected by the Calculation Agent prior to the date on which the Failure to Deliver Notice is given as provided above, less the proportionate cost to the Issuer and/or its Affiliates of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent.

Insolvency means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of, or any analogous proceeding affecting, an Equity Issuer (a) all the Underlying Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Underlying Equities of that Equity Issuer become legally prohibited from transferring them.

Market Disruption Event means, in respect of an Underlying Equity:

- (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (i) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (A) relating to the Underlying Equity on the relevant Exchange; or
 - (B) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or
 - (ii) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, the Underlying Equities on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying Equity on any relevant Related Exchange,
- (b) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 23 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date or an Averaging Date, as the case may be. Without limiting the obligation of the Calculation Agent to give notice to the Noteholders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Noteholders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

Merger Date means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

Merger Event means, in respect of any relevant Underlying Equities, any:

- (a) reclassification or change of such Underlying Equities that results in a transfer of, or an irrevocable commitment to transfer all such Underlying Equities outstanding to another entity or person; or
- (b) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Equities outstanding); or
- (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 Underlying Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such Underlying Equities owned or controlled by such other entity or person); or
- (d) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Equities immediately following such event,

in each case where the Merger Date is on or before the Valuation Date or, if the Notes are to be redeemed by delivery of Underlying Equities, the Maturity Date.

Nationalisation means that all the Underlying Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

Potential Adjustment Event means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Underlying Equities of (i) such Underlying Equities or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Underlying Equities or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other

- assets, in any case for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
 - (d) a call by an Equity Issuer in respect of relevant Underlying Equities that are not fully paid;
 - (e) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
 - (f) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile take-overs that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
 - (g) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities.

Reference Index means, in relation to a Substituted Equity (as defined above), the index (a) of which the Substituted Equity is a component, or of which it has been a component of at any time during the six months immediately preceding the relevant substitution, and (b) over which futures contracts are actively traded, as determined by the Calculation Agent. If more than one index satisfies the above criteria or if no index satisfies the above criteria, the Calculation Agent shall determine the Reference Index for the Substituted Equity by reference to such criteria as it deems appropriate.

Reference Price means, in respect of an Underlying Equity, an amount equal to the official closing price (or the price at the Valuation Time (A) if a Valuation Date is specified in the applicable Pricing Supplement, on the Valuation Date or (B) if Averaging Dates are specified in the applicable Pricing Supplement, on an Averaging Date) of the Underlying Equity quoted on the relevant Exchange and, if specified in the applicable Pricing Supplement, without regard to any subsequently published correction as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) can be determined at such time and, if the Valuation Date or such Averaging Date, as the case may be is not a Disrupted Day, an amount determined by the Calculation Agent in good faith to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case

may be, if so specified in the applicable Pricing Supplement) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Pricing Supplement) for the Underlying Equity based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applying in the applicable Pricing Supplement, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price.

Related Exchange means, in relation to an Underlying Equity, each exchange or quotation system specified as such in relation to such Underlying Equity in the applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), Provided that where "All Exchanges" is specified as the Related Exchange in the applicable Pricing Supplement, Related Exchange shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Equity.

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 Asset Amount by or on behalf of the Issuer in accordance with these Conditions and/or the applicable Pricing Supplement is not practicable.

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 the Valuation Date.

Strike Price means the amount specified as such in the applicable Pricing Supplement.

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

Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

Underlying Equities and **Underlying Equity** mean the equity securities or equity security specified as such in the applicable Pricing Supplement (which may, for the avoidance of doubt, include shares or units in exchange traded funds) and related expressions shall be construed accordingly.

Valuation Date means the date specified as such in the applicable Pricing Supplement or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day then:

- (a) where the Notes are specified in the applicable Pricing Supplement to relate to a single Underlying Equity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or
- (b) where the Notes are specified in the applicable Pricing Supplement to relate to a Basket of Underlying Equities the Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Underlying Equity affected (each an **Affected Equity**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine, where practicable, the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day and otherwise in accordance with the above provisions.

Valid Date means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

Valuation Time means the Valuation Time specified in the applicable Pricing Supplement or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the Valuation Date or Averaging Date, as the case may be in relation to each Underlying Equity to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

9. Physical Delivery

- (a) *Notes represented by one or more Global Notes or Global Certificates (in the case of Notes not cleared through the CMU Service)*

If Physical Delivery is specified in the applicable Pricing Supplement as applying in relation to any Note and if the Notes are represented by one or more Global Notes or Global Certificates, delivery of the Asset Amount(s) will (subject as provided below) be made against presentation or surrender, as the case may be, of the relevant Global Note or Global Certificate at the specified office of any Paying Agent outside the United States or Registrar (as the case may be). A record of each delivery made against presentation or surrender of such Global Note will be made on such Global Note on behalf of the Issuer by the Paying Agent to which such Global Note is presented for the purpose of making such delivery, and such record shall be *prima facie* evidence that the delivery in question has been made. A record of each delivery made against presentation or surrender of the Global Certificate will be made by the Registrar, and such record shall be *prima facie* evidence that the delivery in question has been made.

The holder of a Global Note or registered holder of the Global Certificate shall be the only person entitled to receive delivery of the Asset Amounts in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by delivery to, or to the order of, the holder of such Global Note or Global Certificate in respect of each amount so delivered. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg, as the case may be, for his share of each delivery so made by the Issuer to, or to the order of, the holder of such Global Note or Global Certificate. No person other than the holder of such Global Note or Global Certificate shall have any claim against the Issuer in respect of any deliveries due on that Global Note or Global Certificate.

For the avoidance of doubt, no Asset Transfer Notice will be required.

- (b) *Notes in definitive form and Notes represented by one or more Global Notes cleared through the CMU Service*

If Physical Delivery is specified in the applicable Pricing Supplement as applying in relation to any Note and the Notes are (i) in definitive form or (ii) represented by one or more Global Notes and cleared through the CMU Service, in order to obtain delivery of the Asset Amount(s) in respect of any such Note, the relevant Noteholder must deliver (i) if such Note

is a Bearer Note (other than Notes cleared through the CMU Service), to any Paying Agent or (ii) if such Note is a Registered Note (other than Notes cleared through the CMU Service), to the Registrar or any Paying Agent or (iii) if such Note is cleared through the CMU Service, to the CMU Lodging and Paying Agent, in each case with a copy to the Issuer, not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice (as defined below).

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Registrar or any Paying Agent or the CMU Lodging and Paying Agent (as the case may be) and such Note must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- (1) specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the applicable Pricing Supplement;
- (2) include an undertaking to pay all Delivery Expenses;
- (3) specify an account to which any amount payable pursuant to Condition 10(n) (in the case of Credit Linked Notes) or any other cash amounts specified in the applicable Pricing Supplement as being payable are to be paid;
- (4) contain such certificates as to compliance with all applicable laws and regulations (including, without limitation, U.S. securities laws and regulations) as the Issuer may require;
- (5) certify, *inter alia*, that the beneficial owner of such Note is not a U.S. person (as defined in the Asset Transfer Notice) or a person who purchased such Note for resale to a U.S. person, that the Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and
- (6) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by 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.

Failure to properly complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made by the

relevant Paying Agent or the Registrar, as the case may be, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

(c) *Delivery*

Delivery of the Asset Amount(s) in respect of each Note shall be made at the risk of the relevant Noteholder and, in the case of Notes in definitive form, in such commercially reasonable manner as the Calculation Agent shall determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Pricing Supplement. Delivery shall be subject to compliance with all applicable laws and regulations. All Delivery Expenses arising from the delivery of the Asset Amount(s) in respect of such Notes shall be for the account of the relevant Noteholder and no delivery of the Asset Amount(s) shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

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

As used herein:

Asset Amount is as specified in the applicable Pricing Supplement or, in the case of Credit Linked Notes, as defined in Condition 10(r).

Asset Transfer Notice means a duly completed asset transfer notice substantially in the form set out in the Agency Agreement.

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

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

10. Credit Linked Notes

If the Notes are specified as Credit Linked Notes in the applicable Pricing Supplement, the provisions of this Condition 10 apply, as applicable, as modified by the applicable Pricing Supplement.

The applicable Pricing Supplement shall specify whether the Notes are Single Name Credit Linked Notes, First-to-Default Credit Linked Notes, Nth-to-Default Credit Linked Notes, Linear Basket Notes or any other type of Credit Linked Notes.

(a) *Redemption of Credit Linked Notes*

Unless (i) previously redeemed or purchased and cancelled; or (ii) subject to Condition 10(j), an Event Determination Date has occurred (or in the case of Nth-to-Default Credit Linked Notes, an Event Determination Date has occurred in respect of the Nth Reference Entity) in respect of a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date; or (iii) redemption of the Notes is deferred pursuant to Condition 10(e), (g), (h), (i) or (w), each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Scheduled Maturity Date.

If an Event Determination Date occurs (or in the case of Nth-to-Default Credit Linked Notes, an Event Determination Date occurs in respect of the Nth Reference Entity) in respect of a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, then, subject to Conditions 10(e), (j) and (w):

- (i) if Cash Settlement is specified as the Settlement Method in the applicable Pricing Supplement (or if Cash Settlement is specified as the Fallback Settlement Method, or no Fallback Settlement Method is specified in the Pricing Supplement, and Condition 10(d) requires that the Issuer redeem the Notes in accordance with Condition 10(b)), the provisions of Condition 10(b) shall apply, or
- (ii) if Physical Settlement is specified as the Settlement Method in the applicable Pricing Supplement (or if Physical Settlement is specified as the Fallback Settlement Method and Condition 10(d) requires that the Issuer redeem the Notes in accordance with Condition 10(c)), the provisions of Condition 10(c) shall apply, or
- (iii) if Auction Settlement is specified as the Settlement Method in the applicable Pricing Supplement, the provisions of Condition 10(d) shall apply.

(b) *Cash Settlement*

- (i) If (1) Cash Settlement is specified as the Settlement Method in the applicable Pricing Supplement (or if Cash Settlement is specified as the Fallback Settlement Method, or no Fallback Settlement Method is specified in the Pricing Supplement, and Condition 10(d) requires that the Issuer redeem the Notes in accordance with this Condition 10(b)) and (2) an Event Determination Date occurs (or in the case of Nth-to-Default Credit Linked Notes, an Event Determination Date occurs in respect of the Nth Reference Entity) in respect of a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, then, subject to Conditions 10(e), (j) and (w), the Issuer shall give notice (such notice a **Cash Settlement Notice**) to the Noteholders as soon as reasonably practicable following the final Valuation Date in accordance with Condition 23 (*Notices*) of the redemption

of the Notes and the Credit Event Redemption Date, and provided that the related Event Determination Date has not been reversed on or prior to the final Valuation Date, subject to Conditions 10(e), (j) and (w), on the Credit Event Redemption Date the Issuer shall redeem the Notes as follows:

- (A) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and the Notes are not Linear Basket Notes, each Note in whole; or
 - (B) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and the Note is a Linear Basket Note, a percentage of the nominal amount of each Note equal to the Applicable Percentage determined by reference to the Reference Entity Nominal Amount of the Reference Entity in respect of which the Credit Event occurred; or
 - (C) if the Credit Event is a Multiple Exercise Restructuring Credit Event, a portion of the nominal amount equal to the Applicable Percentage determined by reference to the Exercise Amount specified in the Credit Event Notice relating to the relevant Credit Event.
- (ii) Each Note shall be redeemed by the Issuer by payment in respect of each nominal amount of the Notes equal to the Calculation Amount of the Credit Event Redemption Amount. Payment by the Issuer of the Credit Event Redemption Amount (in respect of each Calculation Amount) shall fully and effectively discharge the Issuer's obligation to redeem the Applicable Percentage of the relevant Note. For the avoidance of doubt, a Credit Event (which results in an Event Determination Date) may occur at any time on or prior to the Extension Date, as applicable, notwithstanding that the Cash Settlement Notice may be given significantly later. Unless the relevant Credit Event is a Multiple Exercise Restructuring Credit Event, the Note is a Linear Basket Note or if otherwise stated in the applicable Pricing Supplement, a Cash Settlement Notice may only be delivered on one occasion. In the case of First-to-Default Credit Linked Notes or Nth-to-Default Credit Linked Notes, if an Event Determination Date is purported to have occurred in respect of more than one Reference Entity on the same date, the Calculation Agent shall determine in its sole and absolute discretion which Reference Entity is the Reference Entity in respect of which an Event Determination Date has occurred for the purposes of the Note.

If the Notes become redeemable in accordance with this Condition 10(b), subject to Condition 10(w), upon payment of the Credit Event Redemption Amounts in respect of the Notes the Issuer shall have discharged its obligations in respect of the Applicable Percentage of the Notes and shall have no other liability or obligation whatsoever in respect of the Applicable Percentage of the Notes. The Credit Event Redemption Amount may be less than the nominal amount of the Notes equal to the Calculation Amount. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.

- (c) *Physical Settlement*
- (i) If (1) Physical Settlement is specified as the Settlement Method in the applicable Pricing Supplement (or if Physical Settlement is specified as the Fallback Settlement Method and Condition 10(d) requires that the Issuer redeem the Notes in accordance with this Condition 10(c)) and (2) an Event Determination Date occurs (or in the case of Nth-to-Default Credit Linked Notes, an Event Determination Date occurs in respect of the Nth Reference Entity) in respect of a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, then, subject to Conditions 10(e), (j) and (w), the Issuer shall give notice (such notice a **Notice of Physical Settlement**) to the Noteholders in accordance with Condition 23 (*Notices*) of the redemption of the Notes and the expected Physical Settlement Date determined by the Calculation Agent in its sole and absolute discretion, and provided that the related Event Determination Date has not been reversed on or prior to the final Valuation Date, Physical Settlement Date or, if earlier, Delivery Date, as applicable, the Issuer shall, subject to Conditions 10(e), (j) and (w) redeem the Notes as follows:
- (A) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and the Notes are not Linear Basket Notes, each Note in whole; or
- (B) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and the Notes are Linear Basket Notes, a percentage of the nominal amount of each Note equal to the Applicable Percentage determined by reference to the Reference Entity Nominal Amount of the Reference Entity in respect of which the Credit Event occurred; or
- (C) if the Credit Event is a Multiple Exercise Restructuring Credit Event, a portion of the nominal amount of each Note equal to the Applicable Percentage determined by reference to the Exercise Amount specified in the Credit Event Notice relating to the relevant Credit Event.
- (ii) Each Note shall be redeemed by the Issuer by Delivery in respect of each nominal amount of the Notes equal to the Calculation Amount of the Deliverable Obligations comprising the Asset Amount, in accordance with and subject to Condition 9 (*Physical Delivery*) and Conditions 10(m) and 10(n). Delivery by the Issuer of the Deliverable Obligations comprising the Asset Amount and/or payment of the Partial Cash Settlement Amount in accordance with Condition 10(n) (in respect of each Calculation Amount), if applicable, shall fully and effectively discharge the Issuer's obligation to redeem the Applicable Percentage of the relevant Note. For the avoidance of doubt, a Credit Event (which results in an Event Determination Date) may occur at any time on or prior to the Extension Date, as applicable, notwithstanding that the Notice of Physical Settlement may be given significantly later.

- (iii) Following delivery of a Notice of Physical Settlement, the Issuer may notify the Noteholders (each such notification, a **NOPS 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 NOPS Amendment Notice, as applicable, to the extent the relevant Deliverable Obligation has not been Delivered as of the date such NOPS Amendment Notice is effective in accordance with Condition 23 (*Notices*).
- (iv) Notwithstanding the foregoing, (i) the Issuer may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, by notice to the Calculation Agent and Noteholders prior to the relevant Delivery Date and (ii) if Asset Package Delivery is applicable, the Issuer shall on the NOPS Effective Date, or as soon as reasonably practicable thereafter (but in any case, prior to the Delivery Date), notify the Calculation Agent and Noteholders of the detailed description of the Asset Package, if any, that it intends to Deliver to Noteholders in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable, it being understood in each case that such notice shall not constitute a NOPS Amendment Notice.

If the Notes become redeemable in accordance with this Condition 10(c), subject to Condition 10(w), upon Delivery of the Deliverable Obligations comprising the Asset Amount and/or payment of the Cash Settlement Amounts, as the case may be, the Issuer shall have discharged its obligations in respect of the Applicable Percentage of the Notes and shall have no other liability or obligation whatsoever in respect of the Applicable Percentage of the Notes. The aggregate value of such Deliverable Obligations and/or the Cash Settlement Amount and/or the Asset Package may be less than the nominal amount of the Notes equal to the Calculation Amount. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.

- (d) *Auction Settlement*
 - (i) If (1) Auction Settlement is specified as the Settlement Method in the applicable Pricing Supplement (or if no Settlement Method is so specified), (2) an Event Determination Date occurs (or in the case of Nth-to-Default Credit Linked Notes, an Event Determination Date occurs in respect of the Nth Reference Entity) in respect of a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, and the related Event Determination Date has not been reversed on or prior to the Auction Final Price Determination Date, and (3) an Auction Final Price Determination Date occurs with respect to an Applicable Auction, then, subject to Conditions 10(e), (j) and (w), the Issuer shall give an Auction Settlement Notice to the Noteholders as soon as reasonably practicable following the Auction Final Price Determination Date in accordance with Condition 23 (*Notices*) and, subject to Conditions 10(e), (j) and (w), on the Auction Credit Event Redemption Date redeem the Notes as follows:

- (A) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and/or the Notes are not Linear Basket Notes, each Note in whole; or
 - (B) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and the Notes are Linear Basket Notes, a portion of the nominal amount of each Note equal to the Applicable Percentage determined by reference to the Reference Entity Nominal Amount of the Reference Entity in respect of which the Credit Event occurred; or
 - (C) if the Credit Event is a Multiple Exercise Restructuring Credit Event, a portion of the nominal amount of each Note equal to the Applicable Percentage determined by reference to the Exercise Amount specified in the Credit Event Notice relating to the relevant Credit Event.
- (ii) Each Note shall be redeemed by the Issuer by payment in respect of each nominal amount of the Notes equal to the Calculation Amount of the Auction Credit Event Redemption Amount. Payment by the Issuer of the Auction Credit Event Redemption Amount shall (in respect of each Calculation Amount) fully and effectively discharge the Issuer's obligation to redeem the Applicable Percentage of the relevant Note.
- (iii) Without prejudice to the foregoing, but without duplication of settlement, if the Calculation Agent determines:
- (A) except where the Issuer exercises the Movement Option, that with respect to a Credit Event no Applicable Auction is being, or will be, held; or
 - (B) with respect to a Credit Event and any relevant Applicable Request, Applicable Resolution and/or Applicable Auction, that (I) an Auction Cancellation Date has occurred, (II) a No Auction Announcement Date has occurred (and, in circumstances where such No Auction Announcement Date occurs pursuant to sub-paragraph (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) an Event Determination Date was determined pursuant to sub-paragraph (a)(i) of the definition of Event Determination Date or sub-paragraph (a) of the definition of Non-Standard Event Determination Date and no relevant Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Event Determination Date, or (V) an Event Determination Date was determined pursuant to sub-paragraph (b)(i)(B)(I) of the definition of Non-Standard Event Determination Date,

the Issuer shall, subject to the occurrence of a Credit Event (which results in an Event Determination Date), notwithstanding that Auction Settlement is specified as applying in the applicable Pricing Supplement, redeem each Note in accordance with Condition 10(b) if either "Cash Settlement" is specified in the applicable Pricing

Supplement as the Fallback Settlement Method or if no Fallback Settlement Method is specified in the Pricing Supplement, or in accordance with Condition 10(c) if “Physical Settlement” is specified in the applicable Pricing Supplement as the Fallback Settlement Method.

- (iv) If either "Mod R" or "Mod Mod R" is specified as applying in the applicable Pricing Supplement and the Calculation Agent determines in respect of a Restructuring Credit Event that a No Auction Announcement Date has occurred pursuant to subparagraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the Issuer may elect in its sole and absolute discretion to exercise the Movement Option. If the Movement Option is exercised by the Issuer, then provided that the related Event Determination Date is not reversed on or prior to the relevant Auction Final Price Determination Date, the Notes shall be redeemed on the Auction Credit Event Redemption Date at their Auction Credit Event Redemption Amount, for which purposes the Auction Credit Event Redemption Date and the Auction Credit Event Redemption Amount shall be determined by reference to the relevant Parallel Auction selected by the Issuer on exercising the Movement Option. If the Movement Option is exercised by the Issuer, all references in this Condition 10 to “Applicable Auction”, “Applicable Auction Settlement Terms”, “Auction Cancellation Date”, “Auction Final Price Determination Date” and “Auction Settlement Date” shall be deemed to be references to the “Parallel Auction”, “Parallel Auction Settlement Terms”, “Parallel Auction Cancellation Date”, “Parallel Auction Final Price Determination Date” and “Parallel Auction Settlement Date” and the terms of this Condition 10 shall be construed accordingly. If the Movement Option is not exercised, the Issuer shall redeem each Note in accordance with Condition 10(b) if Cash Settlement is specified in the applicable Pricing Supplement as the Fallback Settlement Method, or if no Fallback Settlement Method is specified in the Pricing Supplement, or in accordance with Condition 10(c) if Physical Settlement is specified in the applicable Pricing Supplement as the Fallback Settlement Method.
- (v) For the avoidance of doubt, a Credit Event (which results in an Event Determination Date) may occur at any time on or prior to the Extension Date, notwithstanding that the Auction Settlement Notice may be given significantly later. Unless the relevant Credit Event is a Multiple Exercise Restructuring Credit Event, the Note is a Linear Basket Note or if otherwise stated in the applicable Pricing Supplement, an Auction Settlement Notice may only be delivered on one occasion. In the case of First-to-Default Credit Linked Notes or Nth-to-Default Credit Linked Notes, if an Event Determination Date is purported to have occurred in respect of more than one Reference Entity on the same date, the Calculation Agent shall determine in its sole and absolute discretion which Reference Entity is the Reference Entity in respect of which an Event Determination Date has occurred for the purposes of the Note.

If the Notes become redeemable in accordance with this Condition 10(d), subject to Condition 10(w), upon payment of the Auction Credit Event Redemption Amounts in respect of the Applicable Percentage of the Notes the Issuer shall have discharged its

obligations in respect of the Applicable Percentage of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Auction Credit Event Redemption Amount may be less than the nominal amount of the Notes equal to the Calculation Amount. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.

(e) *Redemption Suspension*

If, following the determination of an Event Determination Date in accordance with subparagraph (a)(i) or (b)(i) of the definition of Event Determination Date but prior to the Physical Settlement Date, a Delivery Date or, to the extent applicable, a final Valuation Date, the Calculation Agent determines that a Suspension Event has occurred the timing requirements of Conditions 9 (*Physical Delivery*) and 10 relating to Physical Settlement Dates, Delivery Dates, the Physical Settlement Period, Valuation Dates, Credit Event Redemption Date(s), as applicable, or any other provision that pertains to redemption and settlement of the Notes, shall toll and remain suspended until the Suspension Event Cessation Date. During such suspension period, the Issuer is not obliged to take any action in connection with the redemption and settlement of the Notes. The relevant timing requirements and redemption and settlement provisions, as applicable, that have previously tolled or been suspended shall resume on the Business Day following the relevant Suspension Event Cessation Date with the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Condition 10(e). Without prejudice to any amounts payable pursuant to Condition 10(i), no additional amounts shall be payable by the Issuer in connection with any such suspension.

(f) *Accrual of Interest and Interest Payment Postponement*

(i) If Condition 10(b), Condition 10(c) or Condition 10(d) applies in respect of the Notes, subject to Condition 10(j), and

(A) **Accrual of Interest upon Credit Event** is specified as not applying in the applicable Pricing Supplement, each Note shall cease to bear interest from the Interest Payment Date (or, if none, the Interest Commencement Date) immediately preceding the Event Determination Date, or if the Event Determination Date is an Interest Payment Date (or, as the case may be, the Interest Commencement Date) such Interest Payment Date (or, as the case may be, the Interest Commencement Date); or

(B) **Accrual of Interest upon Credit Event** is specified as applying in the applicable Pricing Supplement, each Note shall cease to bear interest from the Event Determination Date and the final payment of interest shall be payable on the Credit Event Redemption Date, Auction Credit Event Redemption Date or Physical Settlement Date or Partial Cash Settlement Date, as applicable and no further interest shall be payable in respect of such delay; and

provided further that if

- (A) the Notes are redeemed pursuant to Condition 10(g), Condition 10(h) or Condition 10(i); or
- (B) Condition 10(j) applies pursuant to an adjustment to, or reversal of, an Event Determination Date,

then interest will accrue as provided in Condition 10(g), Condition 10(h), Condition 10(i) or Condition 10(j), as the case may be.

- (ii) If, an Applicable Request in respect of a Credit Event is made on or prior to any Interest Payment Date or the Scheduled Maturity Date in respect of which an Applicable Resolution has not been published, the payment of interest (if any) scheduled to be paid to Noteholders on or about such Interest Payment Date or the Scheduled Maturity Date, will be suspended. If in connection with such Applicable Request either (i) an Applicable DC Credit Event Announcement is made but the Calculation Agent determines that the Event Determination Date relating thereto is a date falling after such Interest Payment Date or the Scheduled Maturity Date, or (ii) an Applicable DC No Credit Event Announcement is made, payment of the suspended interest for such Interest Payment Date or Scheduled Maturity Date, as applicable, will be made two Business Days after the date the Event Determination Date is so determined or the date of Applicable DC No Credit Event Announcement, as applicable. If in connection with such Applicable Request, an Applicable DC Credit Event Announcement is made and the Calculation Agent determines that the Event Determination Date relating thereto is a date falling on or prior to such Interest Payment Date or the Scheduled Maturity Date, no payment of the suspended interest will be made and interest accrual prior to such Event Determination Date will be determined in accordance with sub-paragraph (i) above.
 - (iii) No additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to sub-paragraph (ii) above. For the avoidance of doubt, no interest shall accrue on any Note after the Scheduled Maturity Date as a result of a suspension of interest pursuant to this Condition 10(f) (unless Condition 3(d) applies and upon due presentation of a Note for redemption payment of principal is improperly withheld or refused by the Issuer). The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 23 (*Notices*) as soon as reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this Condition 10(f).
- (g) *Repudiation/Moratorium Extension*
- (i) Where Repudiation/Moratorium is specified as a Credit Event in the applicable Pricing Supplement, the provisions of this Condition 10(g) shall apply.

- (ii) Where an Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied in respect of a Potential Repudiation/Moratorium which occurred with respect to an Obligation of a relevant Reference Entity on or prior to the Scheduled Maturity Date or, Condition 10(i) applies, and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium may or will, in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent may deliver a Repudiation/Moratorium Extension Notice to the Noteholders in accordance with Condition 23 (*Notices*), and
 - (A) if an Event Determination Date does not occur on or prior to the final day of the Notice Delivery Period:
 - (I) subject to Condition 10(w) and provided that there are no other Maturity Date Extension Events outstanding as at the Repudiation/Moratorium Evaluation Date, each Note will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the final day of the Notice Delivery Period; and
 - (II) in the case of interest bearing Notes only, the Issuer shall be obliged (x) to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date and (y) to pay an Additional Interest Amount in respect of each nominal amount of the Notes equal to the Calculation Amount and the Additional Amount Period ending on (but excluding) the Repudiation/Moratorium Evaluation Date, but, in each case, shall only be obliged to make such payments of interest on the fifth Business Day following the final day of the Notice Delivery Period and no further or other amount in respect of interest shall be payable, or
 - (B) if an Event Determination Date occurs in respect of a Repudiation/Moratorium which occurred on or prior to the Repudiation/Moratorium Evaluation Date, the provisions of Condition 10(b), (c) or (d), as applicable, shall apply to the Notes.
- (h) *Grace Period Extension*
- (i) If “Grace Period Extension” is specified as applying in the applicable Pricing Supplement, the provisions of this Condition 10(h) shall apply.
- (ii) Where an Event Determination Date has not occurred on or prior to the Scheduled Maturity Date but a Potential Failure to Pay has occurred, or Condition 10(i) applies

and a Potential Failure to Pay may or will, in the sole determination of the Calculation Agent, occur 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:

(A) where an Event Determination Date in respect of the Failure to Pay does not occur on or prior to the last day of the Notice Delivery Period:

(I) subject to Condition 10(w) and provided that there are no other Maturity Date Extension Events outstanding as at the Grace Period Extension Date, each Note will be redeemed by the Issuer at the Final Redemption Amount on the fifth Business Day following the final day of the Notice Delivery Period; and

(II) in the case of interest bearing Notes, the Issuer shall be obliged (x) to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date and (y) to pay an Additional Interest Amount in respect of each nominal amount of the Notes equal to the Calculation Amount and the Additional Amount Period ending on (but excluding) the Grace Period Extension Date, but, in each case, shall only be obliged to make such payment of interest on the fifth Business Day following the final day of the Notice Delivery Period, and no further or other amount in respect of interest shall be payable; or

(B) where an Event Determination Date occurs in respect of a Failure to Pay which occurred on or prior to the Grace Period Extension Date, the provisions of Condition 10(b), (c) or (d), as applicable, shall apply to the Notes.

(i) *Maturity Date Extension*

(i) If on the Scheduled Maturity Date the Calculation Agent determines that on or prior to such date:

(A) a Potential Repudiation/Moratorium may have occurred;

(B) a Potential Failure to Pay may have occurred;

(C) an Applicable Request has been made on or prior to such date in respect of which an Applicable Resolution has not been published; or

(D) without duplication, in the opinion of the Calculation Agent, a Credit Event may have occurred (such Credit Event, a **Postponement Credit Event**), and

in each case, in respect of which an Event Determination Date has not occurred as at the Scheduled Maturity Date (each such event a **Maturity Date Extension Event**), the Calculation Agent shall notify the Noteholders in accordance with Condition 23 (*Notices*) that the Notes will not be redeemed on the Scheduled Maturity Date (or, if Condition 10(g) or (h) applies, on the date specified therein). In such circumstances, the Notes will be redeemed as follows:

- (I) with respect to a Potential Repudiation/Moratorium, in accordance with Condition 10(g), unless an Event Determination Date occurs on or prior to the last day of the Notice Delivery Period and is not reversed pursuant to Condition 10(j), in which case the Notes shall be redeemed pursuant to Condition 10(b), 10(c) or 10(d), as applicable;
 - (II) with respect to a Potential Failure to Pay, in accordance with Condition 10(h), unless an Event Determination Date occurs on or prior to the last day of the Notice Delivery Period and is not reversed pursuant to Condition 10(j), in which case the Notes shall be redeemed pursuant to Condition 10(b), 10(c) or 10(d), as applicable; or
 - (III) with respect to an Applicable Request or a Postponement Credit Event, if an Event Determination Date occurs on or prior to the Observation Cut-Off Date and is not reversed pursuant to Condition 10(j), in accordance with Condition 10(b), 10(c) or 10(d), as applicable; or
 - (IV) with respect to an Applicable Request or a Postponement Credit Event, if an Event Determination Date does not occur on or prior to the Observation Cut-Off Date or an Event Determination Date is reversed pursuant to Condition 10(j), subject to Condition 10(w) and provided that there are no other Maturity Date Extension Events outstanding as at the Observation Cut-Off Date, each Note will be redeemed by the Issuer at its Final Redemption Amount on the second Business Day following the Observation Cut-Off Date (the **Postponed Maturity Date**) and in the case of interest bearing Notes only the Issuer shall, without duplication and without prejudice to Condition 10(i), be obliged (x) to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date and (y) to pay an Additional Interest Amount in respect of each nominal amount of the Notes equal to the Calculation Amount and the Additional Amount Period ending on (but excluding) the Postponed Maturity Date, but, in each case, shall only be obliged to make such payment of interest on the Postponed Maturity Date and no further or other amount in respect of interest shall be payable.
- (ii) A Maturity Date Extension Event will be deemed to be outstanding on any date, if the period specified in (I), (II), (III) or (IV) in respect of the relevant Maturity Date

Extension Event in which an Event Determination Date may occur has not expired as at such date.

(j) Reversals of DC Resolutions and adjustments to Event Determination Dates

(i) Notwithstanding anything to the contrary herein, no Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that the Calculation Agent determines that, prior to the Auction Final Price Determination Date in respect of an Applicable Auction, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date, as applicable, an Applicable DC No Credit Event Announcement occurs with respect to the relevant Reference Entity or Obligation thereof.

(ii) Notwithstanding anything to the contrary herein, no succession will occur, and any succession previously determined with respect to a Reference Entity shall be deemed not to have occurred, if, or to the extent that ISDA or the DC Secretary publicly announces that a previous Succession Event Resolution has been reversed by a subsequent DC Resolution of the relevant Credit Derivatives Determination Committee, unless the prior Succession Event Resolution or any prior determination by the Calculation Agent has resulted in the identification of one or more Successors or the identification of one or more Substitute Reference Obligations.

(iii) Notwithstanding anything to the contrary in these Conditions, following the determination of an Event Determination Date, if, in accordance with the Condition 10(i)(i):

(A) such Event Determination Date is deemed to have occurred on a date that is earlier than the date originally determined to be the Event Determination Date for the purposes of the Notes as a result of the application of the definition of Event Determination Date and/or any Applicable Request or Applicable Resolution then

(I) if the Notes are redeemed pursuant to Condition 10(b) or 10(d), an amount equal to the relevant EDD Adjustment Amount (if any) shall be deducted to the fullest extent possible from the Credit Event Redemption Amount or Auction Credit Event Redemption Amount, as applicable; or

(II) if the Notes are redeemed pursuant to Condition 10(c), Deliverable Obligations (rounded up to the nearest whole number or denomination or other minimum amount in which the relevant Deliverable Obligations may be Delivered) with an Outstanding Principal Balance or Due and Payable Amount (rounded up to the nearest whole number or denomination or other minimum amount in which the relevant Deliverable Obligations may be Delivered), as

applicable, having a market value equal to (or, where rounding upwards applies, greater than) the relevant EDD Adjustment Amount (if any) as of the relevant Delivery Date, as determined by the Calculation Agent in its sole and absolute discretion, shall be deducted to the fullest extent possible from the Asset Amount (or deducted from the Partial Cash Settlement Amount payable pursuant to Condition 10(n) or deducted from the Asset Package by reference to the market value thereof, if applicable). If the market value of the Outstanding Principal Balance or Due and Payable Amount of the Deliverable Obligations (or of the Asset Package, if applicable) so deducted is, due to rounding, greater than the relevant EDD Adjustment Amount, the Issuer shall pay an amount determined by the Calculation Agent in its sole and absolute discretion to Noteholders as soon as reasonably practicable in respect of the excess portion of such Deliverable Obligations (or Asset Package, as applicable); or

- (B) If an Applicable DC No Credit Event Announcement occurs following the determination of an Event Determination Date but prior to the related Auction Final Price Determination Date in respect of an Applicable Auction, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date, as applicable, then the Event Determination Date originally determined for the purposes of the Notes shall be deemed not to have occurred (an **Event Determination Date Reversal**). The occurrence of an Event Determination Date Reversal shall not prejudice the occurrence or determination of any subsequent Event Determination Date(s) in relation to the relevant Reference Entity (if applicable). Notwithstanding Condition 3(d) and Condition 10(f), each Note shall recommence to accrue interest (in accordance with Condition 3 (*Interest*)) from the Interest Payment Date (the **Interest Recommencement Date**) immediately following the Applicable DC No Credit Event Announcement, and an amount equal to the Additional EDD Interest Amount shall be payable on such Interest Recommencement Date. For the avoidance of doubt, in no circumstances shall interest accrue on any Note on or after the Scheduled Maturity Date (unless Condition 3(d) applies and upon due presentation of a Note for redemption payment of principal is improperly withheld or refused by the Issuer).

(k) *Succession*

- (i) The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the existence of the relevant Successor, any Successor or Successors; provided that the Calculation Agent will not make such determination if, at the time of determination, ISDA or 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 in relation to the determination of any Successor or Successors on the basis of Eligible Information and will notify the Issuer of any such calculation or determination as soon as practicable.

In calculating the percentages used to determine whether an entity qualifies as a Successor, 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.

A copy of the notice of any determination of a Successor shall be given to Noteholders in accordance with Condition 23 (*Notices*), provided that failure to deliver such notice shall not invalidate the occurrence of the succession.

- (ii) Where the Notes are Single Name Credit Linked Notes:
- (A) Where more than one Successor has been identified in accordance with these Conditions, each such Successor will be deemed to be a Reference Entity for purposes of the Notes and, to the extent applicable, the Calculation Agent shall apportion any outstanding principal amounts or any other relevant calculation amounts equally in relation to each Successor.
 - (B) If one or more of the Successors to the Reference Entity have not assumed the Reference Obligation (if any) specified in the applicable Pricing Supplement, the Calculation Agent may select a Substitute Reference Obligation in accordance with the definition of "Substitute Reference Obligation".
 - (C) Where an Event Determination Date occurs in respect of a Reference Entity after such a succession:
 - (1) the provisions of this Condition 10 shall be deemed to apply to the aggregate nominal amount of the Notes represented by that Reference Entity only (the **Partial Principal Amount**) and all the provisions shall be construed accordingly;
 - (2) the Notes shall be deemed to be redeemed *pro rata* in an amount equal to the Partial Principal Amount only;
 - (3) the Notes in an amount equal to the Aggregate Nominal Amount less the Partial Principal Amount shall remain outstanding (the **Remaining Amount**) and interest (if applicable) shall accrue on the Remaining Amount as provided for in the Conditions and the applicable Pricing

Supplement (adjusted in such manner as the Calculation Agent determines to be appropriate);

- (4) the provisions of these Conditions shall apply to any subsequent Credit Event Notices delivered in respect of any of the other Reference Entities that are identified as a result of the succession; and
- (5) the applicable Pricing Supplement may be amended and restated at such time to reflect the effect of a succession without the consent of the Noteholders and the Noteholders are deemed to agree to this provision by the purchase of the Notes.

(iii) Where the Notes are Linear Basket Notes:

- (A) Where a succession has occurred in respect of a Reference Entity (each such Reference Entity, a **Succession Event Reference Entity** and the Reference Entities unaffected by such succession or any previous succession, the **Non-Succession Event Reference Entities**) and more than one Successor has been identified by the Calculation Agent, each such Successor will be deemed to be a Reference Entity for the purposes of the Notes (in such respect, each a **Successor Reference Entity**). The Reference Entity Nominal Amount for each Successor Reference Entity shall be equal to the Reference Entity Nominal Amount of the original Reference Entity divided by the number of Successors, provided that where the Successor Reference Entity is also a Reference Entity, the Reference Entity Nominal Amount of such Successor Reference Entity determined as aforesaid shall be added to the subsisting Reference Entity Nominal Amount of such Reference Entity, subject to Condition 10(k)(viii).
- (B) Following the occurrence of an Event Determination Date with respect to any Reference Entity, either a Non-Succession Event Reference Entity or a Successor Reference Entity, the Applicable Percentage of the Notes shall be redeemed in accordance with the provisions of these Conditions.

(iv) Where the Notes are First-to-Default Credit Linked Notes:

- (A) Where a succession has occurred in respect of a Reference Entity (each such Reference Entity, a **Succession Event Reference Entity** and the Reference Entities unaffected by such succession or any previous succession, the **Non-Succession Event Reference Entities**) and more than one Successor has been identified by the Calculation Agent, each Note will subsequently reference a number of Baskets (each a **New Basket**) equal to the number of Successors, and each Successor will be a Reference Entity for the purposes of one of the New Baskets and each of the original Reference Entities prior to the succession, other than the Succession Event Reference Entity, shall be a Reference Entity for the purposes of each and every one of the New

Baskets. The Aggregate Nominal Amount of the Notes shall be apportioned equally between each New Basket (each portion a **New Basket Nominal Amount**). Thereafter, the occurrence of the first Credit Event will be assessed separately for each New Basket and only the occurrence of an Event Determination Date in respect of a Reference Entity in a New Basket will cause the Notes to be redeemed in part in a proportion which the New Basket Nominal Amount bears to the Aggregate Nominal Amount of the Notes as of the Issue Date (the **New Basket Relevant Proportion**).

- (B) Consequently, where all Non-Succession Event Reference Entities and all Successor Reference Entities are considered together:
- (1) the occurrence of a Credit Event and an Event Determination Date in respect of a Non-Succession Event Reference Entity will be a Credit Event for the purposes of each and every New Basket and each and every New Basket Nominal Amount of the Notes and will cause the Notes to be redeemed in full in accordance with this Condition 10; and
 - (2) the occurrence of a Credit Event and an Event Determination Date in respect of a Successor Reference Entity will be a Credit Event only in respect of the New Basket for which the relevant Successor Reference Entity is a Reference Entity and will cause the New Basket Relevant Proportion of the Notes to be redeemed in accordance with this Condition 10.
- (C) Following a partial redemption of the Notes pursuant to this sub-paragraph (iv), interest shall accrue on the remaining outstanding nominal amount of the Notes immediately following the partial redemption (the **New Basket Outstanding Principal Amount**) as provided for in these conditions (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and the Calculation Agent shall continue to assess the occurrence of an Event Determination Date in respect of any Reference Entity for the purposes of the remaining New Baskets and the New Basket Outstanding Principal Amount in accordance with this Condition 10(k)(iv).
- (v) Where the Notes are N^{th} -to-Default Credit Linked Notes:
- (A) Where a succession has occurred in respect of a Reference Entity (each such Reference Entity, a **Succession Event Reference Entity** and the Reference Entities unaffected by such succession or any previous succession, the **Non-Succession Event Reference Entities**) and more than one Successor has been identified by the Calculation Agent, each Note will subsequently reference a number of Baskets (each a **New Basket**) equal to the number of Successors, and each Successor will be a Reference Entity for the purposes of one of the New Baskets and each of the original Reference Entities prior

to the succession, other than the Succession Event Reference Entity, shall be a Reference Entity for the purposes of each and every one of the New Baskets. The Aggregate Nominal Amount of the Notes shall be apportioned equally between each New Basket (each portion a **New Basket Nominal Amount**). Thereafter, the occurrence of a Credit Event in respect of the N^{th} Reference Entity will be assessed separately for each New Basket and only the occurrence of an Event Determination Date in respect of the N^{th} Reference Entity in a New Basket will cause the Notes to be redeemed in part in a proportion which the New Basket Nominal Amount for the relevant New Basket bears to the Aggregate Nominal Amount of the Notes as of the Issue Date (the **New Basket Relevant Proportion**).

- (B) Consequently, where all Non-Succession Event Reference Entities and all Successor Reference Entities are considered together:
- (1) the occurrence of an Event Determination Date in respect of a Credit Event in respect of the N^{th} Reference Entity, where such N^{th} Reference Entity and each previous Reference Entity in respect of which an Event Determination Date has occurred are Non-Succession Event Reference Entities, will be the N^{th} Credit Event for the purposes of each and every New Basket and each and every New Basket Nominal Amount of the Notes and will cause the Notes to be redeemed in full in accordance with this Condition 10;
 - (2) the occurrence of an Event Determination Date in respect of a Credit Event in respect of the N^{th} Reference Entity, where either such N^{th} Reference Entity or one previous Reference Entity in respect of which an Event Determination Date has occurred is a Successor Reference Entity, will be the N^{th} Credit Event only in respect of the New Basket in respect of which the relevant Successor Reference Entity is a Reference Entity. Thereafter the New Basket Relevant Proportion of each Note shall be redeemed in accordance with this Condition 10; and
 - (3) the occurrence of an Event Determination Date in respect of a Credit Event in respect of the N^{th} Reference Entity where either such N^{th} Reference Entity and one or more previous Reference Entity in respect of which an Event Determination Date has occurred are Successor Reference Entities or such N^{th} Reference Entity is a Non-Succession Event Reference Entity but two or more previous Reference Entities in respect of which an Event Determination Date has occurred are Successor Reference Entities, will not be the N^{th} Credit Event in respect of any of the New Baskets and will not cause the Notes to be redeemed either in part or in whole.

- (C) Following a partial redemption of the Notes pursuant to this sub-paragraph (v), interest shall accrue on the remaining outstanding nominal amount of the Notes immediately following the partial redemption (the **New Basket Outstanding Principal Amount**) as provided for in these conditions (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and the Calculation Agent shall continue to assess the occurrence of a Credit Event and an Event Determination Date in respect of the *Nth* Reference Entity for the purposes of the remaining New Baskets and the New Basket Outstanding Principal Amount in accordance with this Condition 10(k)(v).
- (vi) The provisions of these Conditions shall apply to any subsequent succession. For the avoidance of doubt, the provisions of this Condition 10(k)(ii), (iii), (iv), (v) and (vi) shall apply to each Succession Event, provided that the Calculation Agent may make any adjustments to the Reference Entities and/or Baskets (including any New Baskets) as it determines, in its sole discretion, are necessary to reflect the occurrence of a Succession Event.
- (vii) Where the effect of the foregoing provisions would be to specify a Reference Entity more than once with respect to the Notes or, in the case of Condition 10(k)(v) and (vi) above, a New Basket, that Reference Entity shall be deemed to be specified only once.
- (viii) Save as otherwise provided in the applicable Pricing Supplement, where any Reference Entity (the **Surviving Reference Entity**) (other than a Reference Entity that is subject to a succession) would be a Successor to any other Reference Entity (the **Legacy Reference Entity**) pursuant to a succession through the application of the foregoing provisions, (I) if Fixed Number of Reference Entities is not specified as applicable in the relevant Pricing Supplement, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity or (II) if Fixed Number of Reference Entities is specified as applying in the applicable Pricing Supplement, such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity and the Calculation Agent shall select an additional entity to constitute a Reference Entity in replacement of the Legacy Reference Entity, and, in respect of Linear Basket Notes, in respect of the Reference Entity Nominal Amount relating to such Legacy Reference Entity (such entity an **Additional Reference Entity**) such that the number of Reference Entities in respect of the Notes, or in respect of each New Basket, prior to the succession is equal to the number of Reference Entities following the succession, provided that if, in respect of any First-to-Default Notes or *Nth*-to-Default Notes the Legacy Reference Entity is a Reference Entity in respect of more than one New Basket, the Calculation Agent shall select an Additional Reference Entity to replace such Legacy Reference Entity in each New Basket, each of which Additional Reference Entities may be different entities. Each Additional Reference Entity shall be of the same Transaction Type with a comparable credit rating as the Surviving Reference Entity, and shall be principally traded in the

credit derivatives market in respect of the same Geographical Region as the relevant Surviving Reference Entity, where "Geographical Region" means such region determined in good faith by the Calculation Agent to give best effect to then current market practice in respect of the Surviving Reference Entity, as determined by the Calculation Agent in its sole and absolute discretion. Any such Additional Reference Entity will be deemed to be a Reference Entity for the purposes of the Notes and all references in these Credit Linked Conditions to a "Reference Entity" or "Reference Entities" shall be construed accordingly.

If one or more Additional Reference Entities are selected, the Calculation Agent may select a Substitute Reference Obligation in respect of each such Additional Reference Entity in accordance with the definition of "Substitute Reference Obligation".

(ix) Unless "Merger Event not Applicable" is specified in the applicable Pricing Supplement, in the event that (x) the Issuer becomes a Successor to any Reference Entity as a result of the application of the foregoing provisions, (y) the Issuer and any Reference Entity become Affiliates or (z) the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, a Reference Entity or the Issuer (as applicable) (each a **Merger Event**), then the Issuer may, but shall not be obliged to, on giving not more than 30 nor less than 15 days' notice to Noteholders (the **Merger Event Notice**), redeem all but not some of the Notes at the Early Redemption Amount specified in the Merger Event Notice.

(x) The applicable Pricing Supplement may be amended and restated at such time to reflect the effect of a succession without the consent of the Noteholders and the Noteholders are deemed to agree to this provision by the purchase of the Notes.

(l) *Restructuring Credit Event*

(i) Multiple Credit Event Notices:

Upon the occurrence of a Restructuring Credit Event with respect to a Reference Entity for which Restructuring is an applicable Credit Event and either "Mod R" or "Mod Mod R" is specified in the applicable Pricing Supplement:

(a) the Issuer may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event, each such notice setting forth the amount of the Aggregate Nominal Amount of the Notes or, if the Notes are Linear Basket Notes, of the Reference Entity Nominal Amount in respect of the relevant Reference Entity, as applicable, to which such Restructuring Credit Event applies (the **Exercise Amount**) provided that if the relevant Credit Event Notice does not specify an Exercise Amount, then the Aggregate Nominal Amount of the Notes outstanding immediately prior to the delivery of such Credit Event Notice or, if the Notes are Linear Basket Notes, the Reference

Entity Nominal Amount outstanding in respect of the relevant Reference Entity immediately prior to the delivery of such Credit Event Notice will be deemed to have been specified as the Exercise Amount.

- (b) if the Issuer has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the Aggregate Nominal Amount of the Notes outstanding or the Reference Entity Nominal Amount outstanding in respect of the relevant Reference Entity, in each case as at the date immediately prior to the delivery of such Credit Event Notice, as applicable, the rights and obligations of the Issuer shall, with effect from the date such Credit Event Notice is effective, be construed as if the Issuer had issued two Notes, one of which has a principal amount outstanding (the **Exercise Amount per Note**) equal to the Exercise Amount divided by the aggregate number of Notes outstanding immediately prior to such effective date and, upon the occurrence of an Event Determination Date, will be settled in accordance with the applicable Settlement Method or Fallback Settlement Method, as applicable, and the other of which will have a principal amount outstanding equal to the principal amount outstanding of such Note prior to the delivery of such Credit Event Notice minus the Exercise Amount per Note and will continue in effect with such modifications as the Calculation Agent shall determine are required in order to preserve the economic effects of the two Notes so split (considered in aggregate); and
- (c) the Exercise Amount in connection with a Credit Event Notice describing an M(M)R Restructuring must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the relevant Reference Entity Nominal Amount is denominated or any integral multiple thereof or the entire relevant Reference Entity Nominal Amount.

If Restructuring is an applicable Credit Event and neither "Mod R" nor Mod Mod R" is specified in the applicable Pricing Supplement, the Calculation Agent may not deliver multiple Credit Event Notices with respect to a Restructuring Credit Event. If a Restructuring Credit Event occurs, the Calculation Agent may only deliver a single Credit Event Notice in respect of such Reference Entity and, subject to the other provisions of this Condition 10, the Exercise Amount shall be equal to the relevant Aggregate Nominal Amount of the Notes outstanding or the Reference Entity Nominal Amount outstanding in respect of the relevant Reference Entity, in each case as at the date immediately prior to the delivery of such Credit Event Notice, as applicable (and not a portion thereof).

For the avoidance of doubt, (i) in the case of a First to Default Credit Linked Note, once a Multiple Exercise Restructuring Credit Event has occurred in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the first occurring Multiple Exercise Restructuring Credit Event; (ii) in the case of an Nth to Default Credit Linked Note, if a Multiple Exercise Restructuring Credit Event has

occurred in respect of the Nth Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Nth Reference Entity (save to the extent that the Credit Linked Notes are deemed to have been divided into new Credit Linked Notes pursuant to Condition 10(k)); and (iii) in the case of a Linear Basket Note, the fact that a Multiple Exercise Restructuring Credit Event has occurred in respect of a Reference Entity shall not preclude delivery of a Credit Event Notice in respect of any other Reference Entity.

If any Note is subject to partial redemption in accordance with this Condition 10(l), the relevant Note or, if the Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

The Notes shall be deemed to be redeemed pro rata in an amount equal to the Exercise Amount only. The Notes in an amount equal to, (1) in respect of Notes which are not Linear Basket Notes, the Aggregate Nominal Amount less the Exercise Amount, and, (2) in respect of Linear Basket Notes, the Aggregate Nominal Amount less (x) the sum of the Reference Entity Nominal Amounts in respect of all Reference Entities in respect of which previous Credit Events (not including the Restructuring in question) have occurred and the relevant Settlement Date for such Credit Event has occurred, and less (y) the Exercise Amount, shall remain outstanding (the **Outstanding Amount**) and interest (if applicable) shall accrue on the Outstanding Amount as provided for in these Conditions and the applicable Pricing Supplement (adjusted in such manner as the Calculation Agent determines to be appropriate).

In respect of any subsequent Credit Event Notices delivered, the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Multiple Exercise Restructuring Credit Event must be equal to the outstanding nominal amount of the Notes or the Reference Entity Nominal Amount outstanding in respect of the relevant Reference Entity, as applicable, at such time (and not a portion thereof).

(ii) Mod R:

In respect of any Reference Entity for which Restructuring is an applicable Credit Event, if (i) "Physical Settlement" is specified to be the Settlement Method in the applicable Pricing Supplement (or is applicable pursuant to the Fallback Settlement Method in accordance with Condition 10(d)), (ii) "Mod R" is specified in the applicable Pricing Supplement, and (iii) 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 only be specified in a Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, if it:

- (a) is a Fully Transferable Obligation; and

- (b) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date,

in each case, as of both the NOPS Effective Date and the Delivery Date.

(iii) Mod Mod R:

In respect of any Reference Entity for which Restructuring is an applicable Credit Event, if (i) "Physical Settlement" is specified to be the Settlement Method in the applicable Pricing Supplement (or is applicable pursuant to the Fallback Settlement Method in accordance with Condition 10(d)), (ii) "Mod Mod R" is specified in the applicable Pricing Supplement, and (iii) 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 only be specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, if it:

- (a) is a Conditionally Transferable Obligation; and
- (b) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date,

in each case, as of both the NOPS Effective Date and the Delivery Date.

(iv) Multiple Holder Obligations:

Unless "Multiple Holder Obligation" is specified as not applicable in the relevant Pricing Supplement, then, notwithstanding anything to the contrary in the definition of Restructuring, the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a) to (e) of the definition of "Restructuring" shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

(m) *Physical Delivery*

- (i) If any Credit Linked Note is to be redeemed by delivery of the Asset Amount(s), subject to Conditions 10(e) and 10(j), such delivery shall be made in accordance with and subject as provided in Condition 9 (*Physical Delivery*).
- (ii) The Issuer shall specify in the Notice of Physical Settlement the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value and may substitute any Deliverable Obligations specified in the Notice of Physical Settlement on or prior to the Physical Settlement Date by delivery of a NOPS Amendment Notice.

- (iii) In relation to each Deliverable Obligation constituting any Asset Amount, the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on or prior to the Physical Settlement Date provided that if all or some of the Deliverable Obligations included in the Asset Amount in respect of a Note are Undeliverable Obligations, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver or, if applicable, shall attempt to Deliver where possible all or a portion of such Undeliverable Obligations, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligations, as the case may be, on or before the Final Delivery Date, Provided Further That if all or a portion of such Undeliverable Obligations, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of Condition 10(n) shall apply.
- (iv) If the Issuer does not Deliver (including following the occurrence of a Hedge Disruption Event) any Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation or Hedge Disruption Obligation, such failure shall not constitute an Event of Default for the purpose of the Notes and the Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans until the Final Delivery Date.
- (v) 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 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 (Provided That if "Sovereign No Asset Package Delivery" is specified as applying in the applicable Pricing Supplement, 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).
- (vi) 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 NOPS Amendment Notice, as applicable, may be satisfied by Delivery (with respect to the Credit Linked Notes in aggregate or pro rata in respect of each Note) 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) each Asset in the Asset Package shall be Delivered 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 Noteholders and the Calculation Agent of the detailed description of the Asset Package that it intends to Deliver in the Notice of Physical Settlement, (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.

(n) *Partial Cash Settlement*

If all or a portion of the Undeliverable Obligations, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligations comprising the Asset Amount in respect of a Note are not Delivered by the Final Delivery Date, the Issuer shall give notice (a **Partial Cash Settlement Notice**) to the Noteholders in accordance with Condition 23 (*Notices*) and the Issuer shall pay in respect of each Undeliverable Obligation, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations 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 brief details of why it is unable to deliver the relevant Undeliverable Obligations, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligation, as the case may be.

Unless otherwise specified in the applicable Pricing Supplement, for the purposes of this Condition 10(n) the following terms shall be defined as follows:

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 Undeliverable Obligation, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligation, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

Indicative Quotation means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

Market Value means, with respect to an Undeliverable Obligation, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations 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 Pricing Supplement 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 subparagraph (ii) of the definition of "Quotation" below, an amount that the Calculation Agent shall determine 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, 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, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

Partial Cash Settlement Amount is deemed to be, for each Undeliverable Obligation, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price with respect to such Undeliverable Obligation, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligation, as the case may be, less if applicable (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount), and (ii) zero.

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

Quotation means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the applicable Pricing Supplement, each Indicative Quotation obtained and expressed as a percentage of the Undeliverable Obligation, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligation's Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

- (i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Pricing Supplement, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.
- (ii) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Pricing Supplement, 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 of, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations 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.
- (iii) All Quotations in respect of this Condition 10(n) shall be obtained in accordance with the specification or determination set out immediately above.

Quotation Amount is deemed to be, with respect to each type or issue of Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation, Unassignable 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 in a

commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation, Unassignable Obligation or Hedge Disruption Obligation, as the case may be.

Quotation Method is deemed to be Bid.

Reference Obligation and **Valuation Obligation** is deemed to be the relevant Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation, Unassignable Obligation or Hedge Disruption Obligation, as the case may be.

Valuation Date means the date following three Business Days after the Final Delivery Date.

Valuation Method, unless specified otherwise in the Pricing Supplement, 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 Pricing Supplement, or, if no time is so specified, 11.00 a.m. in the principal trading market for the Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation, Unassignable Obligation or 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, Undeliverable Loan Obligations, Undeliverable Participations, Unassignable Obligations or Hedge Disruption Obligation (as applicable) 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.

(o) Transaction Type Standard Terms

In respect of a series of Notes whose Pricing Supplement specified that "Physical Settlement Matrix Standard Terms" apply and specify one or more "Transaction Types" that are included in the Physical Settlement Matrix, the terms of this Condition 10 which are set out in the Physical Settlement Matrix with respect to such "Transaction Type" shall be deemed to apply to that Series of Notes, provided that the Pricing Supplement do not specify any inconsistent terms, in which case the provisions of the Pricing Supplement shall prevail.

(p) Timing

Subject to the provisions relating to timing in Condition 10(u) and the definition of "**Failure to Pay**", in order to determine the day on which an event occurs for purposes of this Condition 10, the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Transaction Type of a Reference Entity relates to Japan, Tokyo time), irrespective

of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

(q) *Excess Amounts*

If, on a Business Day, the Calculation Agent reasonably determines that an Excess Amount has been paid to Noteholders on or prior to such day, then following notification of the determination of an Excess Amount to the Issuer and Noteholders in accordance with Condition 23 (*Notices*), the Issuer may deduct any such Excess Amount from future payments in relation to the Notes (whether interest or principal) or may reduce the amount of any assets deliverable under the terms of the Notes to the extent that it determines, acting reasonably, to be necessary to compensate for such Excess Amount.

Excess Amount means any amount paid to the Noteholders but which was not due on the Notes, as a result of the occurrence of a DC Credit Event Announcement or a Credit Event Resolution Request Date on or around the date on which the amount in question would otherwise have been required to be paid.

(r) *Definitions applicable to Credit Linked Notes*

For the purposes of this Condition 10 only, the following terms shall have the meanings set out below.

Accrued Interest means, subject to Condition 10(j), with respect to a Note for which:

- (a) "**Physical Settlement**" is specified to be the Settlement Method in the applicable Pricing Supplement (or for which Physical Settlement is applicable as the Fallback Settlement Method in accordance with Condition 10(a)), 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 Pricing Supplement, 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 sole discretion);
- (b) "**Cash Settlement**" is specified to be the Settlement Method in the applicable Pricing Supplement (or if Cash Settlement is applicable as the Fallback Settlement Method in accordance with Condition 10(a)), and:
 - (i) "**Include Accrued Interest**" is specified in the applicable Pricing Supplement, the Outstanding Principal Balance of the Reference Obligation shall include accrued but unpaid interest;
 - (ii) "**Exclude Accrued Interest**" is specified in the applicable Pricing Supplement, 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 Pricing Supplement, the Calculation Agent

shall determine in its sole discretion, 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) Condition 10(n) (*Partial Cash Settlement*) is applicable, the Calculation Agent shall determine in its sole discretion, based on the then current market practice in the market of the relevant Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation, Unassignable Obligation or Hedge Disruption Obligation, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest.

Additional Amount Period means the period from and including the Scheduled Maturity Date to but excluding (i) the Repudiation/Moratorium Evaluation Date (where Condition 10(g)(ii)(A) applies), (ii) the Grace Period Extension Date (where Condition 10(h)(ii)(A) applies) or (iii) the Postponed Maturity Date (where Condition 10(i)(i)(IV) applies).

Additional Deliverable Obligation means each obligation of a Reference Entity specified as such in the applicable Pricing Supplement for the purposes of the definition of “Deliverable Obligation”.

Additional EDD Interest Amount means an amount in the Specified Currency determined by the Calculation Agent in respect of each Calculation Amount per Note equal to the sum of:

- (a) each Interest Amount that would have been payable per Calculation Amount, but for the operation of Condition 3(d) and Condition 10(f) and the original determination of the Event Determination Date, on each Interest Payment Date falling after the date originally determined to be the Event Determination Date, to and including the Interest Commencement Date; and
- (b) interest on each such Interest Amount determined by the Calculation Agent using:
 - (I) a rate (expressed as a percentage) calculated by the Calculation Agent in its sole and absolute discretion equal to the average of the Overnight Rates for each day in the period from and including the Interest Payment Date on which the relevant Interest Amount would have been paid but for the operation of Condition 3(d) and the original determination of the Event Determination Date to but excluding the Interest Commencement Date; and
 - (II) the number of days in the period from and including the Interest Payment Date on which the relevant Interest Amount would have been paid but for the operation of Condition 3(d) and the original determination of the Event Determination Date to but excluding the Interest Commencement Date divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of such period is the

31st day of a month but the first day of such period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of such period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

Additional Interest Amount means an amount in the Specified Currency equal to the product of:

- (i) the Calculation Amount;
- (ii) the Average Overnight Rate in respect of the Additional Amount Period; and
- (iii) the number of days in the Additional Amount Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Additional Amount Period is the 31st day of a month but the first day of the Additional Amount Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of the Additional Amount Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

Additional Obligation means each obligation of a Reference Entity specified as such in the applicable Pricing Supplement for the purposes of the definition of **Obligation**.

Additional Reference Entity has the meaning given in Condition 10(k)(viii).

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.

Aggregate Nominal Amount means on the Issue Date the aggregate nominal amount of the Notes of such Series specified in the applicable Pricing Supplement and on any date thereafter the aggregate nominal amount of the Notes of such Series outstanding on such date (taking into account the aggregate nominal amount of the Notes of such Series on the Issue Date and any amortisations, partial redemptions or further issues of the Notes of such Series on or prior to such date).

Applicable Auction means an Auction which the Calculation Agent determines is relevant to a Credit Event with respect to a Reference Entity and Obligations thereof and which relates to deliverable obligations which would constitute Reference Obligation(s) or Deliverable Obligation(s), as applicable, under the Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, reference entity, obligations and deliverable obligations to which the Auction relates and if the Auction relates to a Restructuring Credit Event, the Scheduled Maturity Date of the Notes and the

scheduled termination date of the credit derivatives transactions covered by the Auction and the maturity date of the deliverable obligations to which the Auction relates, and (ii) any hedging transaction that the Issuer has or may enter into in connection with the Notes). In respect of a Restructuring Credit Event, if the Issuer exercises the Movement Option, the Parallel Auction selected by the Issuer on exercise of the Movement Option shall be the Applicable Auction.

Applicable Credit Derivatives Auction Settlement Terms means with respect to a Reference Entity, a Credit Event and an Applicable Auction, the Credit Derivatives Auction Settlement Terms (if any) which the Calculation Agent determines are relevant to the Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, reference entity and obligation(s) and deliverable obligations which are the subject of the relevant Credit Derivatives Auction Settlement Terms and the Credit Events, Reference Entities and Obligations and Deliverable Obligations under the Notes and (ii) any hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

Applicable DC Credit Event Announcement means a DC Credit Event Announcement which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof to which such DC Credit Event Announcement relates and the terms of the Notes and (ii) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes). An Applicable DC Credit Event Announcement will be deemed not to have occurred with respect to the Notes unless (x) the relevant Credit Event Resolution Request Date relating to the DC Credit Event Announcement was, in the determination of the Calculation Agent, an Applicable Request which occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (y) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

Applicable DC No Credit Event Announcement means a DC No Credit Event Announcement which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC No Credit Event Announcement and the Credit Events, Reference Entities and Obligations thereof under the Notes and (ii) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

Applicable Percentage means in respect of a redemption of a Note and a Credit Event:

- (i) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and the Note is not a Linear Basket Note, 100 per cent.; or
- (ii) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and the Note is a Linear Basket Note, an amount (expressed as a percentage) equal to the

Reference Entity Nominal Amount of the Reference Entity to which the relevant Credit Event relates divided by the Aggregate Nominal Amount of the Notes outstanding as at the related Event Determination Date; or

- (iii) if the Credit Event is a Multiple Exercise Restructuring Credit Event, an amount (expressed as a percentage) equal to the Exercise Amount specified in the relevant Credit Event Notice relating to the relevant Reference Entity and Credit Event divided by the Aggregate Nominal Amount of the Notes outstanding as at the related Event Determination Date.

Applicable Request means a request that a Credit Derivatives Determinations Committee be convened to Resolve the matters described in the definition of Credit Event Resolution Request Date, which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof which are the subject of the request and the Credit Events, Reference Entities and Obligations thereof under the Notes and (ii) any hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

Applicable Resolution means a DC Resolution of a Credit Derivatives Determinations Committee which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof and any other factor to which the DC Resolution relates and the terms of the Notes and (ii) any hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

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 realized or capable of being realized in circumstances where the right and/or other asset no longer exists).

Asset Amount means, in respect of each nominal amount of the Notes equal to the Calculation Amount, Deliverable Obligations selected by the Issuer in its sole and absolute discretion with (i) an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified as applying in the applicable Pricing Supplement, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified as applying in the applicable Pricing Supplement, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified as applying in the applicable Pricing Supplement, excluding accrued but unpaid interest)) (or the equivalent Currency Amount of any such amount) if the Deliverable Obligations are Borrowed Money or (ii) a Due and Payable Amount (or the equivalent Currency Amount of any such amount) if the Deliverable Obligations are not Borrowed Money, in each case as of the relevant Delivery Dates which in aggregate are equal to :

- (i) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and the Notes are not Linear Basket Notes, the Calculation Amount; or
- (ii) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and the Notes are Linear Basket Notes, the applicable Relevant Proportion multiplied by the Reference Entity Nominal Amount of the relevant Reference Entity to which the Credit Event relates; or
- (iii) if the Credit Event is a Multiple Exercise Restructuring Credit Event, the applicable Relevant Proportion multiplied by the Exercise Amount in respect of the relevant Reference Entity and Credit Event,

unless (a) Issuer elects to Deliver Deliverable Obligations with an Outstanding Principal Balance (including or excluding interest, as applicable) or a Due and Payable Amount, as applicable (or the equivalent currency amount), in an aggregate amount as of the relevant Delivery Dates that is greater than such amount, in which case such Deliverable Obligations shall comprise the Asset Amount and, for the avoidance of doubt, Noteholders shall not be required to pay any additional amount to the Issuer; or (b) the Issuer elects to Deliver Deliverable Obligations with an Outstanding Principal Balance (including or excluding interest, as applicable) or a Due and Payable Amount, as applicable (or the equivalent Currency Amount), in an aggregate amount as of the relevant Delivery Dates that is less than such amount, in which case such Deliverable Obligations shall comprise the Asset Amount and the Issuer shall pay to Noteholders no later than the Business Day following the Final Delivery Date an amount determined by the Calculation Agent equal to the portion of the Calculation Amount redeemed in respect of which Deliverable Obligations were not Delivered,

in each case *less*,

- (i) if Unwind Costs are specified as applying in the applicable Pricing Supplement, Deliverable Obligations with a market value determined by the Calculation Agent in its sole and absolute discretion on the Business Day selected by the Calculation Agent falling during the period from and including the Event Determination Date to and including the Delivery Date less than or equal to the Unwind Costs; and
- (ii) if Condition 10(j)(iii)(A) applies, Deliverable Obligations with an Outstanding Principal Balance or Due and Payable Amount (rounded up to the nearest whole number or denomination or other minimum amount in which the relevant Deliverable Obligations may be Delivered), as applicable, having a market value (as determined by the Calculation Agent in its sole and absolute discretion) equal to (or where rounding upwards applies, greater than) the EDD Adjustment Amount.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding

Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

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 or in any other commercially reasonable manner selected by the Calculation Agent.

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 applying in the applicable Pricing Supplement:
 - (i) a Governmental Intervention; or
 - (ii) a Restructuring in respect of the Reference Obligation, if "**Restructuring**" is specified as applying in the Pricing Supplement and such Restructuring does not constitute a Governmental Intervention; and
- (b) if the Reference Entity is a Sovereign and "**Restructuring**" is specified in the applicable Pricing Supplement as being applicable, 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 means, with respect to a Reference Entity and a Credit Event, unless otherwise specified in the Applicable Credit Derivatives Auction Settlement Terms an auction pursuant to which an Auction Final Price is to be determined in accordance with an auction procedure set out in the Applicable Credit Derivatives Auction Settlement Terms.

Auction Cancellation Date means, with respect to an Auction, unless otherwise specified in the Applicable Credit Derivatives Auction Settlement Terms, the date on which such Auction was deemed to have been cancelled as announced by ISDA (and/or the administrators specified in the relevant Credit Derivatives Auction Settlement Terms) on its website or such other date as determined and announced in accordance with the relevant Credit Derivatives Auction Settlement Terms.

Auction Credit Event Redemption Amount means, in respect of each nominal amount of the Notes equal to the Calculation Amount, the amount specified as such in the applicable

Pricing Supplement or if no such amount is specified in the applicable Pricing Supplement, an amount calculated by the Calculation Agent equal to:

$$[A \times B \times C] - D - E$$

where:

A is the Calculation Amount;

B is the Applicable Percentage;

C is the Auction Final Price in respect of the relevant Applicable Auction;

D is Unwind Costs; and

E is the EDD Adjustment Amount (if applicable),

provided that in no event shall the Auction Credit Event Redemption Amount be less than zero.

Auction Credit Event Redemption Date means, the fifth Business Day following the later of the Auction Settlement Date, determined in accordance with the Applicable Credit Derivatives Auction Settlement Terms, and the date on which the Auction Settlement Notice is sent, or such other date specified in the applicable Pricing Supplement, each as determined by the Calculation Agent.

Auction Final Price means, with respect to an Applicable Auction, unless otherwise specified in the relevant Applicable Credit Derivatives Auction Settlement Terms, the price (expressed as a percentage) in respect of the deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s) under the Notes determined to be the Auction Final Price in accordance with the Applicable Credit Derivatives Auction Settlement Terms.

Auction Final Price Determination Date means with respect to an Applicable Auction, the day, if any, on which the Auction Final Price is determined or such other date as specified in the relevant Applicable Credit Derivatives Auction Settlement Terms.

Auction Settlement Date means the date that is the number of Business Days specified in the relevant Applicable Credit Derivatives Auction Settlement Terms (or, if a number of Business Days is not so specified, three Business Days) immediately following the relevant Auction Final Price Determination Date.

Auction Settlement Notice means a notice delivered by the Issuer to the Noteholders in accordance with Condition 23 (*Notices*) following the occurrence of an Auction Final Price Determination Date notifying Noteholders of the redemption of the Notes in accordance with Condition 10(d) and specifying, in respect of a Restructuring Credit Event where the Movement Option applied, whether the Issuer exercised the Movement Option and, if so, the Parallel Auction selected as a result the exercise of the Movement Option and the Auction Final Price for such Parallel Auction.

Average Overnight Rate means, in respect of the Additional Amount Period, a rate (expressed as a percentage) calculated by the Calculation Agent in its sole and absolute discretion equal to the average of the Overnight Rates for each day in the period from and including the first day of such Additional Amount Period to but excluding the second Business Day immediately preceding the day on which such Additional Amount Period ends but which is excluded from the Additional Amount Period.

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

Basket means a basket composed of the Reference Entities as specified in the applicable Pricing Supplement and such term shall include each New Basket resulting from the occurrence of a succession and the identification of more than one Successor.

Business Day means for the purposes of this Condition 10 only, a day on which commercial banks and foreign exchange markets are generally open to settle payments in each Specified Business Centre specified in the applicable Pricing Supplement, and a day on which the TARGET System is open (if "TARGET" is specified for that purpose in the applicable Pricing Supplement).

Business Day Convention means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "**Business Day Convention**" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

- (i) if "**Following**" is specified as applying in the applicable Pricing Supplement, that date will be the first following day that is a Business Day;
- (ii) if "**Modified Following**" or "**Modified**" is specified as applying in the applicable Pricing Supplement, 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
- (iii) if "**Preceding**" is specified as applying in the applicable Pricing Supplement, that date will be the first preceding day that is a Business Day.

The Business Day Convention applicable to a date that is specified in the applicable Pricing Supplement to be subject to adjustment in accordance with an applicable Business Day Convention shall be the Business Day Convention specified for that date in applicable Pricing Supplement or, if a Business Day Convention is not so specified for that date but a Business Day Convention is generally otherwise specified in the applicable Pricing Supplement, the Business Day Convention shall be the Business Day Convention so specified in the applicable Pricing Supplement and, if a Business Day Convention is not specified for that date or generally in that Confirmation, the Following Business Day Convention shall apply to that date, **provided that** none of the Scheduled Maturity Date, the Credit Event Backstop Date, the Successor Backstop Date or the Limitation Date shall be subject to adjustment in accordance with any Business Day Convention.

If the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such last day shall be subject to adjustment in accordance with the applicable Business Day Convention; Provided That if the last day of any period is the Credit Event Backstop Date or the Successor Backstop Date, such last day shall not be subject to any adjustment in accordance with any Business Day Convention.

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 Pricing Supplement.

Calculation Amount means the amount specified as such in the Pricing Supplement.

Capital Ratio means, in respect of an Obligation, the ratio of capital to risk weighted assets applicable to the Obligation, as described in the terms thereof in effect from time to time.

Cash Settlement Notice had the meaning given in Condition 10(b).

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 both the NOPS Effective Date and the Delivery Date, 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 sub-paragraph (a) of the definition of "Deliverable Obligation".

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

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

Credit Event means the occurrence of any one or more of the Credit Events specified in the applicable Pricing Supplement 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 Pricing Supplement, as determined by the Calculation Agent.

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

- (a) any lack or alleged lack of authority or capacity of 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) if Credit Event Backstop Date is specified as “Applicable” in the applicable Pricing Supplement, the date determined by the Calculation Agent:
 - (i) for the purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, if applicable, the event described in sub-paragraph (a)(ii) of the definition thereof), as determined by a DC Resolution that is an Applicable Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date, provided that the Calculation Agent determines that the DC Resolution is an Applicable Resolution and the Credit Event Resolution Request Date relates to an Applicable Request; or
 - (ii) otherwise, the date that is 60 calendar days prior to the earlier of (i) the Notice Delivery Date, if the Notice Delivery Date occurs during the Notice Delivery Period and (ii) the Credit Event Resolution Request Date, if the Notice Delivery Date occurs during the Post Dismissal Additional Period, provided that the Calculation Agent determines that the Credit Event Resolution Request Date relates to an Applicable Request; or
- (b) if Credit Event Backstop Date is specified as “Not Applicable” in the applicable Pricing Supplement, the Credit Event Backstop Date shall be deemed to be the Business Day following the Trade Date.

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

Credit Event Notice means an irrevocable notice (which may be in writing (including by facsimile and/or email and/or by telephone)) from the Issuer to the Calculation Agent (which the Issuer 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 that describes a Credit Event other than an M(M)R Restructuring must be in respect of the full relevant Reference Entity Nominal Amount.

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 Condition 10(u).

Credit Event Redemption Amount means, in respect of each nominal amount of the Notes equal to the Calculation Amount, the amount specified as such in the applicable Pricing Supplement or if no such amount is specified in the applicable Pricing Supplement, an amount calculated by the Calculation Agent equal to:

$$[A \times B \times C] - D - E$$

where:

A is the Calculation Amount;

B is the Applicable Percentage;

C is the Final Price;

D is Unwind Costs; and

E is the EDD Adjustment Amount (if applicable),

provided that in no event shall the Credit Event Redemption Amount be less than zero.

Credit Event Redemption Date means (i) if the Credit Event Redemption Amount or Final Price is not specified in the applicable Pricing Supplement, the day falling the number of Business Days specified in the applicable Pricing Supplement (or, if a number of Business Days is not so specified, three Business Days) following the calculation of the Final Price or, (ii) if the Credit Event Redemption Amount or the Final Price is specified in the applicable Pricing Supplement, the date that is three Business Days (or such other number of Business

Days specified in the applicable Pricing Supplement) following the day on which the Cash Settlement Notice is delivered.

Credit Event Resolution Request Date means, with respect to a DC Credit Event Question, the date as publicly announced by ISDA or the DC Secretary that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which:

- (a) the DC Credit Event Question was effective; and
- (b) the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

Currency Amount means, with respect to a Deliverable Obligation comprising all or part of the Asset Amount that is denominated in a currency other than the Settlement Currency an amount converted to the relevant Settlement Currency using a conversion rate determined by reference to the Currency Rate.

Currency Rate means, with respect to a Deliverable Obligation comprising the Asset Amount, the rate of conversion of 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 on such date at the Calculation Agent determines appropriate or (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner (which may include the rate determined in connection with the Applicable Auction or Parallel Auction).

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, or other rate source, determined by the Calculation Agent in its sole and absolute discretion. For these purposes the Calculation Agent may take into account any successor rate source approved by a 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 14 calendar days following the No Auction Announcement Date, if any, as applicable.

DC Credit Event Announcement means, with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that (a) an event that constitutes a Credit Event for purposes of certain credit derivative transactions has occurred with respect to such Reference Entity (or an Obligation thereof) and the Calculation Agent determines that such DC Resolution is an Applicable Resolution relevant to the Notes and (b) the Calculation Agent determines that such event occurred on or after the relevant 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 a Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

DC Credit Event Question means 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 a 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 No Credit Event Announcement means, with respect to a Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event for purposes of the certain credit derivatives transactions with respect to such Reference Entity (or an Obligation thereof) and the Calculation Agent determines that such DC Resolution is an Applicable Resolution relevant to the Notes.

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

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

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

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

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

Deliver means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, to the Noteholders, 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, defense (other than a counterclaim or defence based on the factors set forth in sub-paragraphs (a) to (d) of the definition of "Credit Event" or right of set-off by or of the Reference Entity or any applicable Underlying Obligor); provided that (i) if a Deliverable Obligation is a Direct Loan Participation, "Deliver" means to create (or procure the creation of) a participation in favour of the Issuer or the Noteholders, as the case may be, 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, (A) "Deliver" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap and (B) those claims shall be deemed to be Deliverable Obligations for purposes of any physical settlement. "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, provided further that the Issuer and each Noteholder agrees to comply with the provisions of any documentation (which shall be deemed to include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the Issuer and each Noteholder under these Conditions. The Issuer agrees, and each Noteholder is deemed to further agree, that compliance by the Issuer with the provisions of any such documentation shall be required for, and, without further action, constitute, Delivery for purposes of this definition (to the extent that such documentation contains provisions describing how Delivery should be effected) and neither the Issuer nor any Noteholder shall be permitted to request that any party take, nor shall the Issuer or any Noteholder be required to take, any action or make any payment in connection with such Delivery, as applicable, unless otherwise contemplated by such documentation.

Deliverable Obligation means, subject as provided in Condition 10(c):

- (a) any obligation of a Reference Entity (either directly, or as provider of a Relevant Guarantee) determined pursuant to the method described in sub-paragraph (i) (*Method for Determining Deliverable Obligations*) set out below;
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation;
- (d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if "**Financial Reference Entity Terms**" is specified as applying in the applicable

Pricing Supplement) or any Package Observable Bond (if the Reference Entity is a Sovereign); and

- (e) any Additional Deliverable Obligation of a Reference Entity specified as such in the applicable Pricing Supplement,

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 sub-paragraph (d) above, immediately prior to the relevant Asset Package Credit Event).

- (i) *Method for Determining Deliverable Obligations.*

For purposes of paragraph (a) of the 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 Pricing Supplement, and, subject to sub-paragraph (ii) (*Interpretation of Provisions*) set out below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Pricing Supplement, in each case, as of both the NOPS Effective Date and the Delivery Date (unless otherwise specified in the applicable Pricing Supplement). The following terms shall have the following meanings:

- (A) **Deliverable Obligation Category** means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of “Obligation” below, except that, for the purpose of determining Deliverable Obligations, the definition of “Reference Obligations Only” shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only).
- (B) **Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of “Obligation” below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, where:
 - (1) **Assignable Loan** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;

- (2) **Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such loan) or any agent;
- (3) **Direct Loan Participation** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each 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);
- (4) **Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
- (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;
- (5) **Maximum Maturity** means an obligation that has a remaining maturity of not greater than the period specified in the applicable Pricing Supplement (or, if no such period is specified, 30 years);

- (6) **Accelerated or Matured** means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (7) **Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(ii) *Interpretation of Provisions.*

- (A) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified in the applicable Pricing Supplement, the Pricing Supplement shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
- (B) If (i) either of the Deliverable Obligation Characteristics "**Listed**", "**Not Domestic Issuance**" or "**Not Bearer**" is specified in the applicable Pricing Supplement, such Pricing Supplement 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 Pricing Supplement, such Pricing Supplement 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 Pricing Supplement, such Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.
- (C) If more than one of "**Assignable Loan**", "**Consent Required Loan**" and "**Direct Loan Participation**" are specified as Deliverable Obligation Characteristics in the applicable Pricing Supplement, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

- (D) If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:
- (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 Pricing Supplement from the following list: "**Not Subordinated**", "**Specified Currency**", "**Not Sovereign Lender**", "**Not Domestic Currency**" and "**Not Domestic Law**";
 - (iii) For purposes of the application of the Obligation Characteristics or the 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 Pricing Supplement 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.
- (E) 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.
- (F) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applying in the applicable Pricing Supplement, 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.

- (G) For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in Condition 10(I)(ii) and (I)(iii) 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.
- (H) If "Subordinated European Insurance Terms" is specified as applying in the applicable Pricing Supplement, 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.

Delivery Date means, with respect to a Deliverable Obligation or an Asset Package, the date on which such Deliverable Obligation is Delivered (or deemed Delivered, as applicable).

Domestic Currency means the currency specified as such in the applicable Pricing Supplement and any successor currency thereto, or if no such currency is specified, the lawful currency and any successor currency of:

- (a) the Reference Entity, if the Reference Entity is a Sovereign; or
- (b) the jurisdiction in which the Reference Entity is organized, if the Reference Entity is not a Sovereign.

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 organized, 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.

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 NOPS Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date) or (B) the Valuation Date, as applicable.

EDD Adjustment Amount means an amount in the Specified Currency determined by the Calculation Agent in respect of each Calculation Amount equal to the sum of:

- (a) each amount of interest per Calculation Amount that would not have been paid (if any) on any Interest Payment Date to Noteholders had the earlier Event Determination Date been the date originally determined as the Event Determination Date; and
- (b) interest on each such amount determined by the Calculation Agent using:
 - (I) a rate (expressed as a percentage) calculated by the Calculation Agent in its sole and absolute discretion equal to the average of the Overnight Rates for each day in the period from and including the Interest Payment Date on which the relevant interest amount was paid to but excluding the date on which the Notes are redeemed; and
 - (II) the number of days in the period from and including the Interest Payment Date on which the relevant interest amount was paid to but excluding the date on which the Notes are redeemed divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of such period is the 31st day of a month but the first day of such period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of such period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

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 each of the following:

- (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, that in each case that such entity has total assets of at least U.S.\$500 million;

- (b) an Affiliate of an entity specified in (a) above;
- (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 the aggregate, total assets of at least U.S.\$100 million; or
 - (ii) that has total assets of at least U.S.\$500 million; or
 - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) above or (d) below; and
- (d)
 - (A) any Sovereign; or
 - (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development,

and where references in this definition to U.S.\$ include each equivalent amounts in other currencies may be determined by the Calculation Agent.

Event Determination Date means with respect to a Credit Event and Notes with respect to which:

- (a) "Auction Settlement" is the applicable Settlement Method and "Event Determination Date Version A" is specified in the applicable Pricing Supplement:

- (i) subject to sub-paragraph (a)(ii) below, 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) an Applicable DC Credit Event Announcement has occurred nor (B) an Applicable 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 sub-paragraph (a)(i) above, the Credit Event Resolution Request Date (in respect of an Applicable Request as determined by the Calculation Agent), if an Applicable DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:
 - (A)
 - (I) the Credit Event is not an M(M)R Restructuring; and
 - (II) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
 - (B)
 - (I) the Credit Event is an M(M)R Restructuring; and
 - (II) a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the Exercise Cut-off Date;

provided that:

- (x) no Physical Settlement Date, Credit Event Redemption Date, Auction Credit Event Redemption Date or Maturity Date has occurred on or prior to the date on which the related DC Credit Event Meeting Announcement occurs;
- (y) if any Valuation Date or Delivery Date, as applicable, has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Aggregate Nominal Amount of the Notes then outstanding (or, in the case of Linear Basket Notes, the Reference Entity Nominal Amount then outstanding in respect of the Reference Entity to which such Event Determination Date relates), if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
- (z) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer, (aa) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (bb) unless, and to the extent that, the Exercise Amount specified in such Credit Event Notice was less than the

Aggregate Nominal Amount of the Notes then outstanding (or, in the case of Linear Basket Notes, the Reference Entity Nominal Amount then outstanding in respect of the Reference Entity to which such Event Determination Date relates), or (cc) unless the Auction is an Applicable Auction with respect to the Notes and the Deliverable Obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Auction, as determined by the Calculation Agent.

(b) sub-paragraph (a) above does not apply, the Non-Standard Event Determination Date.

Event Determination Date Reversal has the meaning given in Condition 10(j)(iii)(B).

Excluded Deliverable Obligation means:

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

Excluded Obligation means:

- (a) any obligation of the Reference Entity specified as such or of a type described in the applicable Pricing Supplement;
- (b) if "Financial Reference Entity Terms" is specified as applying in the applicable Pricing Supplement and the Notes constitute a Senior Transaction, 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 applying in the applicable Pricing Supplement and the Notes constitute a Subordinated Transaction, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

Exercise Amount has the meaning given in Condition 10(1)(i)(a).

Exercise Cut-off Date means either:

- (a) with respect to an M(M)R Restructuring and Notes to which sub-paragraph (a) of the definition of "Event Determination Date" applies:

- (i) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
 - (ii) otherwise, the date that is 14 calendar days following the relevant No Auction Announcement Date; or
- (b) with respect to a Credit Event and Notes to which sub-paragraph (a) of the definition of "Event Determination Date" does not apply, the Non-Standard Exercise Cut-off Date,

or, in each case, such other date as the relevant Credit Derivatives Determinations Committee Resolves, *provided that* the Calculation Agent determines that such Resolution and Credit Derivatives Auction Settlement Terms constitute an Applicable Resolution and Applicable Credit Derivatives Auction Settlement Terms, as applicable.

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 Pricing Supplement, (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date, and (iii) the Calculation Agent has notified the Noteholders in accordance with Condition 10(i)(i); and
- (c) the Repudiation/Moratorium Evaluation Date (if any) if "**Repudiation/Moratorium**" is specified as applying in the applicable Pricing Supplement, and (ii) the Calculation Agent has delivered a Repudiation/Moratorium Extension Notice in accordance with Condition 10(i)(i).

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.

If a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Transaction Type of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone of its place of payment.

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available

market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

Fallback Settlement Method means, with respect to Notes for which “Auction Settlement” is specified as the Settlement Method in the applicable Pricing Supplement, the Settlement Method specified as such in the Pricing Supplement, or if no Settlement Method is specified as such, the Fallback Settlement Method shall be deemed to be “Cash Settlement”.

Final Delivery Date means the 30th Business Day following the Physical Settlement Date.

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

Final Price means with respect to any Valuation Obligation the price of the Valuation Obligation, expressed as a percentage, as specified in the Pricing Supplement or, if not so specified, determined in accordance with the Valuation Method specified in the applicable Pricing Supplement or, if no Valuation Method is specified in the Pricing Supplement, the Valuation Method set out in the definition of Valuation Method in either Condition 10(n) or 10(r) (as applicable).

First-to-Default Credit Linked Notes means any Series of Notes in respect of which the Issuer purchases credit protection from Noteholders in respect of two or more Reference Entities and pursuant to which, upon the occurrence of an Event Determination Date in respect of a Credit Event with respect to any of such Reference Entities, the Notes will be redeemed in accordance with the relevant Settlement Method.

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 Valuation 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 both the NOPS Effective Date and the Delivery Date. 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, if the 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 of all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in subparagraphs (a) to (c) above.

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

- (a) any event which would affect creditors' rights so as to cause:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (iii) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (c) a mandatory cancellation, conversion or exchange; or

- (d) any event which has an analogous effect to any of the events specified in subparagraphs (a) to (c) above.

If "**CoCo Provision**" is specified as applying in the applicable Pricing Supplement and, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, the operation of a provision 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, in each case if the Capital Ratio is at or below the Trigger Percentage, such event shall be deemed to constitute a Governmental Intervention.

For purposes of the above, 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:

- (i) subject to subparagraphs (ii) and (iii) below, the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if "**Grace Period Extension**" is specified as applying in the applicable Pricing Supplement, 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 shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Pricing Supplement or, if no period is specified in the applicable Pricing Supplement, 30 calendar days; and
- (iii) 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 Pricing Supplement, 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 or, if a place or places are not so specified, (a) if the Obligation Currency is 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 Pricing Supplement; and

(b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date, the day that is five Business Days following the day falling the number of days in the Grace Period after the date of such Potential Failure to Pay.

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

Hedge Disruption Event means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of any transaction entered into by the Issuer and/or any such Affiliate to hedge the obligations or position of the Issuer in respect of the Notes.

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

Interest Recommencement Date has the meaning given to it in Condition 10(j)(iii)(B).

ISDA means the International Swaps and Derivatives Association, Inc. or any successor thereto as determined by the Calculation Agent.

Latest Maturity Restructured Bond or Loan has the meaning given to it in the definition of **Restructuring Maturity Limitation Date**.

Legacy Reference Entity has the meaning given in Condition 10(k)(viii).

Limitation Date means, in respect of a Credit Event that is a Restructuring, the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **2.5-year Limitation Date**), 5 years (the **5-year Limitation Date**), 7.5 years, 10 years (the **10-year Limitation Date**), 12.5 years, 15 years or 20 years (the **20-year Limitation Date**), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise provided in the applicable Pricing Supplement.

Linear Basket Notes mean Notes which are specified as such in the applicable Pricing Supplement, in respect of which the Issuer purchases credit protection from Noteholders in respect of two or more Reference Entities and pursuant to which, on each occasion on which an Event Determination Date occurs as a result of the occurrence of a Credit Event with respect to any of the Reference Entities, the Notes will be redeemed in part in an amount determined by reference to the Reference Entity relating to such Reference Entity in accordance with the relevant Settlement Method.

Market Value means, with respect to a Valuation 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 to paragraph (ii) in the definition of Quotation below, an amount that 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 Valuation 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.

Maturity Date either (a) the Credit Event Redemption Date, the Auction Credit Event Redemption Date, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the Partial Cash Settlement Date, the Postponed Maturity Date and the Physical Settlement Date or (b) if none of the foregoing is relevant, the Scheduled Maturity Date.

Maturity Date Extension Event has the meaning given in Condition 10(l)(i).

Merger Event and **Merger Event Notice** has the meanings given in Condition 10(k)(ix).

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

M(M)R Restructuring means a Restructuring Credit Event in respect of which either "Mod R" or "Mod Mod R" is specified as applying in the applicable Pricing Supplement.

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.

Movement Option means, if either "**Mod R**" or "**Mod Mod R**" is specified as applying in the applicable Pricing Supplement, and if a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) or (c)(ii) of the definition of "**No Auction Announcement Date**", the option of the Issuer to elect in good faith that a Parallel Auction and a set of Parallel Auction Settlement Terms, selected by the Issuer in good faith, shall be deemed to be applicable for the purposes of the Notes and Auction Settlement in respect of a Reference Entity and a Credit Event (for which purpose the Issuer may take into account (a) the terms of the relevant Parallel Auction Settlement Terms, the permissible deliverable obligations thereunder, the Deliverable Obligations under the Notes and (b) any hedging transaction that the Issuer has or may enter into in connection with the Notes). If the Issuer does not exercise this Movement Option, the Fallback Settlement Method shall apply.

Multiple Exercise Restructuring Credit Event means a Restructuring Credit Event in respect of which (i) either "**Mod R**" or "**Mod Mod R**" is specified as applying in the applicable Pricing Supplement and (ii) the Exercise Amount specified in the first Credit Event Notice delivered by the Issuer in connection with such Restructuring Credit Event is for an amount that is less than (a) if the Notes are not Linear Basket Notes, the Aggregate Nominal Amount of the Notes or (b) if the Notes are Linear Basket Notes, the entire Reference Entity Nominal Amount of the relevant Reference Entity.

Multiple Holder Obligation means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event; provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (ii).

New Basket, New Basket Notional Amount, New Basket Relevant Proportion and New Basket Outstanding Principal Amount have the meanings given to such terms in Condition 10(k)(iv) or (v) as the context requires.

No Auction Announcement Date means, with respect to Notes for which Auction Settlement is specified as the Settlement Method in the applicable Pricing Supplement, a Reference Entity and a Credit Event, the date on which the Calculation Agent determines that the DC Secretary first publicly announces that:

- (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published; or
- (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, and the Calculation Agent determines that such Resolution is an Applicable Resolution and no Applicable Auction 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 sub-paragraph (a) of the definition of "**Deliverable Obligation**" on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

Non-Contingent Amount has the meaning given in the definition of "**Outstanding Principal Balance**" in this Condition 10(r).

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 Event Determination Date means with respect to a Credit Event and the Notes:

- (a) subject to sub-paragraph (b) below, 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) an Applicable DC Credit Event Announcement has occurred nor (B) an Applicable 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 sub-paragraph (a) above, if an Applicable DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) either:
 - (i) the Credit Event Resolution Request Date if either:
 - (A)
 - (I) Event Determination Date Version A is specified in the applicable Pricing Supplement;

- (II) Auction Settlement is not the applicable Settlement Method;
 - (III) the relevant Credit Event is not an M(M)R Restructuring; and
 - (IV) the Trade Date occurs on or prior to the related DC Credit Event Announcement; or
- (B)
 - (I) either:
 - (x) Event Determination Date Version B is specified in the applicable Pricing Supplement and Auction Settlement is the applicable Settlement Method; or
 - (y) Event Determination Date Version A is specified in the applicable Pricing Supplement and the relevant Credit Event is an M(M)R Restructuring; and
 - (II) a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the Non-Standard Exercise Cut-off Date; or
- (ii) the first date on which a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective during either the Notice Delivery Period or the period from and including the date of the Applicable DC Credit Event Announcement to and including the date that is fourteen calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if:
 - (A)
 - (I) Event Determination Date Version A is specified in the applicable Pricing supplement;
 - (II) Auction Settlement is not the applicable Settlement Method;
 - (III) the relevant Credit Event is not an M(M)R Restructuring; and
 - (IV) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to the DC Announcement Coverage Cut-off Date; or
 - (B)
 - (I) Event Determination Date Version B is specified in the applicable Pricing Supplement and the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; and

- (II) either:
 - (x) Auction Settlement is not the applicable Settlement Method; or
 - (y) Auction Settlement is the applicable Settlement Method and a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on a date that is later than the relevant Exercise Cut-off Date,

provided that:

- (A) no Physical Settlement Date, Credit Event Redemption Date, Auction Credit Event Redemption Date or Maturity Date has occurred on or prior to the date on which the related DC Credit Event Meeting Announcement occurs;
- (B) if any Valuation Date or Delivery Date, as applicable, has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, a Non-Standard Event Determination Date shall be deemed to have occurred only with respect to the portion of the Aggregate Nominal Amount of the Notes then outstanding (or, in the case of Linear Basket Notes, the Reference Entity Nominal Amount then outstanding in respect of the Reference Entity to which such Event Determination Date relates), if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
- (C) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer, (I) 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, (II) unless, and to the extent that, the Exercise Amount specified in such Credit Event Notice was less than the Aggregate Nominal Amount of the Notes then outstanding (or, in the case of Linear Basket Notes, the Reference Entity Nominal Amount then outstanding in respect of the Reference Entity to which such Non-Standard Event Determination Date relates), or (III) unless the Auction is an Applicable Auction with respect to the Notes and the Deliverable Obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Auction, as determined by the Calculation Agent.

Non-Standard Exercise Cut-off Date means with respect to a Credit Event and the Notes:

- (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;
- (iii) the date that is 14 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 seven Relevant City Business Days following the date on which such Final List is published;
 - (ii) otherwise, the date that is 14 calendar days following the relevant No Auction Announcement Date.

"Non-Standard Reference Obligation" means, in respect of a Reference Entity, the Original Non-Standard Reference Obligation specified for such Reference Entity or, if a Substitute Reference Obligation has been determined for such Original Non-Standard Reference Obligation, such Substitute Reference Obligation.

Non-Succession Event Reference Entity has the meaning given in Condition 10(k)(iii), (iv) or (v), as the context requires.

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

NOPS Amendment Notice has the meaning given in Condition 10(c).

NOPS Cut-off Date means, subject, where applicable, to Condition 10(e):

- (a) subject to sub-paragraph (b) below, the later of:
 - (i) the thirtieth calendar day after the 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 Exercise Cut-off Date); or
- (b) if "**Physical Settlement**" is applicable pursuant to the Fallback Settlement Method in accordance with Condition 10(d) and:
 - (i) the relevant Credit Event is not an M(M)R Restructuring, the later of:
 - (A) the date determined pursuant to sub-paragraph (a)(i) above; and
 - (B) the thirtieth calendar day after the Auction Cancellation Date or the No Auction Announcement Date occurring pursuant to sub-

paragraphs (a) or (c)(i) of the definition of "**No Auction Announcement Date**", 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 sub-paragraph (a)(i) above; and
 - (II) the thirtieth calendar day after:
 - (x) a No Auction Announcement Date occurring pursuant to sub-paragraph (a) of the definition of "**No Auction Announcement Date**", if any;
 - (y) a No Auction Announcement Date occurring pursuant to sub-paragraph (c)(i) of the definition of "**No Auction Announcement Date**", if any; or
 - (z) the Auction Cancellation Date, if any, as applicable;
 - (B) the later of the Parallel Notice of Physical Settlement Date (or, if more than one 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 sub-paragraph (b) of the definition of "**No Auction Announcement Date**" and the Issuer has not exercised the Movement Option; or
 - (II) a No Auction Announcement Date occurs pursuant to sub-paragraph (c)(ii) of the definition of "**No Auction Announcement Date**" and the Issuer has not exercised the Movement Option,

provided that in the case of sub-paragraphs (a)(ii) and (b) above, the relevant Credit Event Resolution Request Date, if any, occurred on or prior to the date described in sub-paragraph (a)(i) above and **provided further that** the NOPS Cut-off Date may be adjusted by the Calculation Agent using its discretion in order to match any hedging transaction that the Issuer has or may enter into in connection with the Notes.

NOPS Effective Date means the date on which an effective Notice of Physical Settlement or NOPS Amendment Notice, as the case may be, is delivered by the Issuer.

Notice Delivery Date means the first date on which both an effective Credit Event Notice and, unless "**Notice of Publicly Available Information**" is specified as not applicable in the

applicable Pricing Supplement, an effective Notice of Publicly Available Information, have been delivered by the Calculation Agent to the Issuer.

Notice Delivery Period means the period from and including the Trade Date to and including the second Business Day after the date falling fourteen calendar days after the Extension Date.

Notice of Physical Settlement shall have the meaning given in Condition 10(c).

Notice of Publicly Available Information means an irrevocable notice (which may be in writing (including by facsimile and/or email and/or by telephone)) from the Issuer to the Calculation Agent 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 must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is specified as applying in the applicable Pricing Supplement and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Condition 10(u).

Nth Reference Entity means, in respect of any Series of Nth-to-Default Credit Linked Notes, the numbered Reference Entity with respect to which an Event Determination Date must have occurred, and not been reversed pursuant to Condition 10(j), in order for the Notes to be redeemed in accordance with the applicable Settlement Method. For example, if the applicable Pricing Supplement specifies that the Notes are Second-to-Default Credit Linked Notes, then the Nth Reference Entity shall be the second Reference Entity with respect to which an Event Determination Date has occurred

Nth-to-Default Credit Linked Notes means any Series of Notes in respect of which the Issuer purchases credit protection from Noteholders in respect of two or more Reference Entities and pursuant to which, upon the occurrence of an Event Determination Date with respect to the Nth Reference Entity, and provided that the Event Determination Date not been reversed pursuant to Condition 10(j), the Notes will be redeemed in accordance with the relevant Settlement Method.

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 the section "*Method for Determining Obligations*" below;
- (b) the Reference Obligation; and
- (c) any Additional Obligation of a Reference Entity specified as such in the applicable Pricing Supplement,

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 each Reference Entity described by the Obligation Category specified in the applicable Pricing Supplement, and having each of the Obligation Characteristics (if any) specified in the applicable Pricing Supplement, 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:

- (i) "**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 Pricing Supplement, where:
 - (A) "**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
 - (B) "**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);
 - (C) "**Reference Obligation Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;
 - (D) "**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;
 - (E) "**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
 - (F) "**Bond or Loan**" means any obligation that is either a Bond or a Loan.
- (ii) "**Obligation Characteristics**" means any one or more of "**Not Subordinated**", "**Specified Currency**", "**Not Sovereign Lender**", "**Not Domestic Currency**",

"**Not Domestic Law**", "**Listed**" and "**Not Domestic Issuance**" specified in the applicable Pricing Supplement, where:

(A)

- (1) "**Not Subordinated**" means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable;
- (2) "**Subordination**" means, with respect to an obligation (the **Second Obligation**) and another obligation of the Reference Entity to which such obligation is being compared (the **First Obligation**), a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganization or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation, or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation.
"**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "**Standard Reference Obligation**" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date; and
- (3) "**Prior Reference Obligation**" means, in circumstances where there is no Reference Obligation applicable to a

Credit Derivative Transaction, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the applicable Pricing Supplement as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;

- (B) "**Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the applicable Pricing Supplement (or, if "**Specified Currency**" is specified in the applicable Pricing Supplement and no currency is so specified, any Standard Specified Currency), **provided that** if the euro is a Specified Currency, "**Specified Currency**" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (C) "**Not Sovereign Lender**" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "**Paris Club debt**";
- (D) "**Not Domestic Currency**" means any obligation that is payable in any currency other than the applicable Domestic Currency, **provided that** a Standard Specified Currency shall not constitute a Domestic Currency;
- (E) "**Not Domestic Law**" means any obligation that is not governed by the applicable Domestic Law, **provided that** the laws of England and the laws of the State of New York shall not constitute a Domestic Law;
- (F) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (G) "**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.

For the avoidance of doubt the provisions of sub-paragraph (ii) (*Interpretation of Provisions*) of the definition of "**Deliverable Obligation**" apply to "**Obligations**" as the context admits.

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 or 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.

Observation Cut-Off Date means the later of (i) the last day of the Notice Delivery Period and (ii) the last day of the Post Dismissal Additional Period, as applicable.

Original Non-Standard Reference Obligation means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as such in the applicable Pricing Supplement (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the 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) otherwise specified in the applicable Pricing Supplement, or (b) (i) "Reference Obligation Only" is specified as the Obligation Category and the Deliverable Obligation Category for the Reference Entity in the applicable Pricing Supplement and (ii) "Standard Reference Obligation" is specified as not applicable for the Reference Entity in the applicable Pricing Supplement.

Outstanding Amount has the meaning given in Condition 10(l)(i).

Outstanding Principal Balance means in relation to an obligation an amount calculated as follows:

- (i) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable, the Reference Entity's accrued but unpaid interest payment obligations in accordance with the definition of "**Accrued Interest**" (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);
- (ii) with second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted Contingency) (the amount determined in sub-paragraph (i) above *less* any amounts subtracted in accordance with sub-paragraph (ii) above, the **Non-Contingent Amount**); and
- (iii) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case determined:

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

Overnight Rate means, in respect of any day in an Additional Amount Period:

- (i) where the Specified Currency is EUR, a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on Reuters Page EONIA (or such other source, including any successor to such page or service, as the Calculation Agent shall determine to be appropriate) in respect of that day, if that day is a TARGET Settlement Day, or in respect of the TARGET Settlement Day immediately preceding that day if that day is not a TARGET Settlement Day; or
- (ii) where the Specified Currency is U.S.\$, a reference rate equal to the rate set forth in H.15 (519) for that day opposite the caption "Federal Funds (effective)", as such rate is displayed on Reuters Screen FEDFUNDS1 (or such other source, including any successor to such page or service, as the Calculation Agent shall determine to be appropriate) in respect of that day if that day is a Business Day or in respect of the Business Day immediately preceding that day if that day is not a Business Day; or

- (iii) where the Specified Currency is a currency other than U.S.\$ or EUR, the Overnight Rate specified in the applicable Pricing Supplement.

As used herein, "**H.15 (519)**" means the weekly statistical release designated as such, or any successor publication published by the Federal Reserve System Board of Governors, available through the worldwide website of the Board of Governors of the Federal Reserve System at <https://www.federalreserve.gov/releases/h15>, or any successor site or publication.

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

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

Parallel Auction Cancellation Date means "Auction Cancellation Date" as defined in the relevant Parallel Auction Settlement Terms.

Parallel Auction Final Price Determination Date means "Auction Final Price Determination Date" as defined in the relevant Parallel Auction Settlement Terms.

Parallel Auction Settlement Date means "Auction Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

Parallel Auction Settlement Terms means, following the occurrence of 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 the deliverable obligation terms are the same as the Deliverable Obligation provisions applicable to the Notes and the Calculation Agent determines that the related Auction would not be an Applicable Auction for the purposes of the Notes.

"**Parallel Notice of Physical Settlement Date**" means "Notice of Physical Settlement Date" as defined in the relevant Parallel Auction Settlement Terms.

Partial Cash Settlement Amount, Partial Cash Settlement Date and Partial Cash Settlement Notice have the meaning given in Condition 10(n).

Partial Principal Amount has the meaning given in Condition 10(k)(ii)(C) of these Credit Linked Conditions.

Payment Requirement means the amount specified as such in the applicable Pricing Supplement or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the applicable Pricing Supplement, U.S.\$1,000,000, or its equivalent as

calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

Permitted Contingency means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

- (a) as a result of the application of:
 - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
 - (ii) provisions implementing the Subordination of the obligation;
 - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
 - (iv) any Solvency Capital Provisions, if "**Subordinated European Insurance Terms**" is specified as applying in the applicable Pricing Supplement; or
 - (v) provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if "**Financial Reference Entity Terms**" is specified as applying in the applicable Pricing Supplement; 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 Date means, subject to Condition 10(e), the last day of the longest Physical Settlement Period following the NOPS Cut-off Date as the Calculation Agent may designate in its sole discretion (the **Scheduled Physical Settlement Date**) **provided that** if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Physical Settlement Date, the Physical Settlement Date shall be the earlier of (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 Physical Settlement Date, and **provided further that** if the Final Price has not been determined by the Business Day immediately preceding the Physical Settlement Date, the Physical Settlement Date shall be the first Business Day after the Final Price is determined. If all Deliverable Obligations comprising the Asset Amount, as applicable are Delivered on or before the day so designated, the date that Delivery of such Deliverable Obligations is completed shall be deemed to be the Physical Settlement Date.

Physical Settlement Matrix means the “Credit Derivatives Physical Settlement Matrix” as most recently amended or supplemented as at the Trade Date (unless otherwise specified in the Pricing Supplement) and as published by ISDA on its website at www.isda.org (or any successor website). The Physical Settlement Matrix may be applicable to any Series of Notes (notwithstanding that the Settlement Method for such Notes may not be “Physical Settlement”) where “Physical Settlement Matrix Standard Terms” are specified as applicable in the Pricing Supplement and one or more Transaction Type(s) are specified as applying to the Reference Entity(ies) of such Series of Notes.

Physical Settlement Period means, subject to Condition 10(e), the number of Business Days specified as such in the applicable Pricing Supplement or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Asset Amount, 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 Calculation Agent and the Noteholders that it intends to Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be thirty 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 sixteen 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)).

Postponed Maturity Date has the meaning given in Condition 10(i)(i)(IV).

Postponement Credit Event has the meaning given in Condition 10(i)(i)(D).

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 the definition of Deliverable Obligation set out in sub-paragraph (a) or (b) of the definition of "**Deliverable Obligation**", in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or

- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

Prior Reference Obligation means, in circumstances where there is no Reference Obligation applicable to the Notes, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the applicable Pricing Supplement as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity, as determined by the Calculation Agent.

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 sub-paragraphs (a) to (d) of the definition of "**Credit Event**" or right of set-off by or of the Reference Entity or any applicable Underlying Obligor.

Publicly Available Information means:

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

provided that where any information of the type described in sub-paragraph (ii) or (iii) 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.

- (b) In relation to any information of any type described in sub-paragraphs (a)(ii) or (iii) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.
- (c) In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both sub-paragraph (a)(i) and (ii) of the definition of Repudiation/Moratorium.
- (d) Publicly Available Information need not state:
 - (i) in relation to the definition of “Downstream Affiliate”, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and
 - (ii) that such occurrence:
 - (A) has met the Payment Requirement or Default Requirement;
 - (B) is the result of exceeding any applicable Grace Period; or
 - (C) has met the subjective criteria specified in certain Credit Events.

Public Source means each source of Publicly Available Information specified as such in the applicable Pricing Supplement (or, if no such source is specified in the Pricing Supplement, 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).

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 applying in the applicable Pricing Supplement; or
 - (B) any Solvency Capital Provisions, if "**Subordinated European Insurance Terms**" is specified as applying in the applicable Pricing Supplement.

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**" 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:

- (x) the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and

- (y) 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 Pricing Supplement. 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 Reference Obligation's Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers.
- (b) 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.
- (c) 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 Valuation 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.

All Quotations (other than for the purposes of Condition 10(n)) shall be obtained in accordance with this specification or determination.

Quotation Amount means the amount specified as such in the applicable Pricing Supplement (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is specified in the applicable Pricing Supplement, the Aggregate Nominal Amount (or, in either case, its equivalent in the relevant

Obligation Currency which shall be converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

Quotation Dealer means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Quotation Dealer specified in the applicable Pricing Supplement. If no Quotation Dealers are specified in the applicable Pricing Supplement, the Calculation Agent shall select the Quotation Dealers in its sole and absolute discretion. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

Quotation Method means the applicable Quotation Method specified in the applicable Pricing Supplement 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 Pricing Supplement, Bid shall apply.

Reference Entity or **Reference Entities** means the reference entity or reference entities specified as such in the applicable Pricing Supplement. Any Successor to a Reference Entity either:

- (a) identified by the Calculation Agent in accordance with 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 a Reference Entity for the Credit Linked Notes, as the terms of which may be modified pursuant to the provisions described in Credit Linked Condition (k).

Reference Entity Nominal Amount means, in respect of a Reference Entity, the amount specified as such in the applicable Pricing Supplement, subject to Condition 10(k).

Reference Obligation means:

- (a) if "**Standard Reference Obligation**" is specified as not applicable in the applicable Pricing Supplement, the Non-Standard Reference Obligation;

- (b) if "**Standard Reference Obligation**" is specified as applying in the applicable Pricing Supplement, the Reference Obligation will be the Standard Reference Obligation.
- (c) if (i) "**Standard Reference Obligation**" is specified as applying in the applicable Pricing Supplement (or no election is specified in the applicable Pricing Supplement), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the applicable Pricing Supplement, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, **provided that** the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

Relevant City Business Day has the meaning given to that term in the DC Rules.

Relevant Guarantee means a Qualifying Affiliate Guarantee or, if "**All Guarantees**" is specified as applying in the applicable Pricing Supplement, 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 NOPS 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 sub-paragraph (a) of the definition of "**Successor**", 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 applying in the applicable Pricing Supplement and the Notes constitute a Senior Transaction, 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 applying in the applicable Pricing Supplement and the Notes constitute a Subordinated Transaction, Relevant

Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**", **provided that** if no such Relevant Obligations exist, "Relevant Obligations" shall have the same meaning as it would if "**Senior Transaction**" were specified as applying in the applicable Pricing Supplement.

Relevant Proportion means an amount (expressed as a percentage) equal to the Calculation Amount divided by the initial Aggregate Nominal Amount (as at the Trade Date) of all Notes outstanding as at the relevant Event Determination Date.

Remaining Amount has the meaning given in Condition 10(k)(ii)(C) of these Credit Linked Conditions.

Representative Amount means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

Repudiation/Moratorium means the occurrence of both of the following events:

- (i) 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
- (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

Repudiation/Moratorium Evaluation Date means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date:

- (a) 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
- (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium,

provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

Repudiation/Moratorium Extension Condition is satisfied if:

- (i) the Calculation Agent determines that the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen calendar days after the 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 and such Resolution constitutes an Applicable Resolution; 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 Pricing Supplement, 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 Calculation Agent may determine that the Repudiation/Moratorium Extension Condition has not been satisfied, or is not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date.

Sub-paragraph (a) above and the immediately preceding paragraph of this definition shall not apply unless the Calculation Agent determines that the relevant Resolution referred to therein constitutes an Applicable Resolution.

Repudiation/Moratorium Extension Notice means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone)) from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled 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. A Repudiation/Moratorium Extension Notice shall be subject to the requirements regarding notices in Condition 10(u).

Resolve, Resolved, Resolves and **Resolving** means, with respect to a Credit Derivatives Determinations Committee, the making of a specific determination in accordance with the DC Rules (and each such determination, a **DC Resolution**).

Restructured Bond or Loan means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred.

Restructuring means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of the Obligation to bind all the holders of such Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (c) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (i) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such

Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;

- (iii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a) to (e) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (iv) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a) to (e) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, **provided that** in respect of sub-paragraph (e) 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 the definition of "**Restructuring**", the definition of "**Multiple Holder Obligation**", and Condition 10(I), the term "**Obligation**" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the "**Reference Entity**" in the initial paragraph and sub-paragraphs (a) to (e) above and in the definition of "**Subordination**" shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under sub-paragraphs (a) to (e) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

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 **provided that**, 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.

Scheduled Maturity Date means the date specified as such in the applicable Pricing Supplement.

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

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

Senior Transaction means Notes for which (a) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (b) there is no Reference Obligation or Prior Reference Obligation.

Settlement Currency means the currency specified as such in the applicable Pricing Supplement, or if no currency is specified in the applicable Pricing Supplement, the Specified Currency of the Notes.

Settlement Date means the latest of the Auction Credit Event Redemption Date, the Credit Event Redemption Date, the Physical Settlement Date, the Delivery Date and the Partial Cash Settlement Date.

Settlement Method means Cash Settlement, Physical Settlement or Auction Settlement as specified in the applicable Pricing Supplement.

Single Name Credit Linked Notes means any Series of Notes in respect of which the Issuer purchases credit protection from Noteholders in respect of one Reference Entity alone.

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

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

"Sovereign Restructured Deliverable Obligation" means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within the sub-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 Sources specified in the applicable Pricing Supplement, or if no number is specified in the applicable Pricing Supplement, two.

SRO List means the list of Standard Reference Obligations as published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

Standard Reference Obligation means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List, as determined by the Calculation Agent in its sole discretion. If, in the determination of the Calculation Agent, the Standard Reference Obligation is removed from the list published by ISDA, such obligation shall cease to be the Reference Obligation (other than for purposes of the "**Not Subordinated**" Obligation Characteristic or "**Not Subordinated**" Deliverable Obligation Characteristic) and there shall be no Reference Obligation unless and until, in the determination of the Calculation Agent, such obligation is subsequently replaced on the list published by ISDA, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation; or

Standard Specified Currencies means 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) (each a **Standard Specified Currency**).

Steps Plan means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

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

Subordinated Transaction means Notes for which the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation.

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

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with sub-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 such DC Resolution.

- (b) If any of the events set forth under sub-paragraphs (a) or (c) 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 sub-paragraph (c)(ii) below). If the event set forth in sub-paragraph (b) of the definition of "**Substitution Event**" has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under sub-paragraphs (a) or (c) of the definition of "**Substitution Event**" occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
- (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
 - (ii) satisfies the Not Subordinated 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 sub-paragraph (a) of the definition of "**Deliverable Obligation**"; 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 sub-paragraph (a) of the definition of "**Deliverable Obligation**";
 - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:

- (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available;
 - (II) is a Deliverable Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of "**Deliverable Obligation**"; or if no such obligation is available;
 - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available;
 - (IV) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of "**Deliverable Obligation**";
or
- (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
- (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (III) is a Deliverable Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of "**Deliverable Obligation**"; 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 sub-paragraph (a) of the definition of "**Deliverable Obligation**".
- (D) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in sub-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 Credit Linked Notes, as determined by the Calculation Agent. The Calculation Agent will notify the Issuer of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with sub-paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.

- (E) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to sub-paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with sub-paragraph (b) above, the Calculation Agent shall use reasonable commercial efforts to continue to attempt to identify the Substitute Reference Obligation.
- (F) Notwithstanding the above, if (a) "**Reference Obligation Only**" is specified as the Obligation Category and the Deliverable Obligation Category for the Reference Entity in the applicable Pricing Supplement and (b) "**Standard Reference Obligation**" is specified as not applicable for the Reference Entity in the applicable Pricing Supplement:
- (i) no Substitute Reference Obligation shall be determined in respect of the Reference Obligation,
 - (ii) if the events set out in paragraph (a) of the definition of "**Substitution Event**" occur, the Substitution Event Date shall be the Maturity Date and the Issuer shall make payment of the outstanding principal amount of the Notes as described in Condition 10(a) and
 - (iii) if the events set out in paragraph (b) or (c) of the definition of "**Substitution Event**" occur with respect to the Reference Obligation, such Reference Obligation shall continue to be the Reference Obligation.

Substitution Date means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies the Issuer that such Substitute Reference Obligation has been identified in accordance with the definition of 'Substitute Reference Obligation'.

Substitution Event means, with respect to the Non-Standard Reference Obligation (other than a Standard Reference Obligation):

- (a) the Non-Standard Reference Obligation is redeemed in whole;
- (b) 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
- (c) 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),

and for the purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP number or ISIN or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in sub-paragraphs (a) or (b) above has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to sub-paragraphs (a) or (b) 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 of the Calculation Agent in accordance with the definition of "**Successor**" would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of an Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

Succession Event Resolution means a DC Resolution identifying a Successor to a Reference Entity and publicly announced by the DC Secretary.

Successor means, subject to sub-paragraph (c) below, the entity or entities, if any, determined as follows:

(a)

- (i) subject to sub-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 in respect of the relevant Reference Entity for (A) if the Notes are not Linear Basket Notes, the entire Aggregate Nominal Amount of the Notes outstanding as at the Succession Date or (B) if the Notes are Linear Basket Notes, the entire Reference Entity Nominal Amount of that original Reference Entity outstanding as at the Succession Date;
- (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 in respect of the relevant Reference Entity for (A) if the Notes are not Linear Basket Notes, the entire Aggregate Nominal Amount of the Notes outstanding as at the Succession Date or (B) if the Notes are Linear Basket Notes, the entire Reference Entity Nominal Amount of the original Reference Entity outstanding as at the Succession Date;

- (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 (A) if the Notes are Single Name Credit Linked Notes, in respect of a portion of the Aggregate Nominal Amount of the Notes outstanding as at the Succession Date, (B) if the Notes are Linear Basket Notes, in respect of a portion of the Reference Entity Nominal Amount of the original Reference Entity outstanding as at the Succession Date, and (C) in respect of First-to-Default Credit Linked Notes and Nth-to-Default Credit Linked Notes, for the purposes of the relevant New Basket and the New Basket Notional Amount, and these Conditions and/or the applicable Pricing Supplement will be adjusted as provided below;
- (iv) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor (A) if the Notes are Single Name Credit Linked Notes, in respect of a portion of the Aggregate Nominal Amount of the Notes outstanding as at the Succession Date, (B) if the Notes are Linear Basket Notes, in respect of a portion of the Reference Entity Nominal Amount of the original Reference Entity outstanding as at the Succession Date, and (C) in respect of First-to-Default Credit Linked Notes and Nth-to-Default Credit Linked Notes, for the purposes of the relevant New Basket and the New Basket Notional Amount, and these Conditions and/or the applicable Pricing Supplement 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 for (A) if the Notes are not Linear Basket Notes, the entire Aggregate Nominal Amount of the Notes outstanding as at the Succession Date or (B) if the

Notes are Linear Basket Notes, the entire Reference Entity Nominal Amount of the original Reference Entity outstanding as at the Succession Date); 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 in respect of the relevant Reference Entity.
- (b) An entity may only be a Successor if:
- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
 - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
 - (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.
- (c) For purposes of this definition and Condition 10(k), "**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 and Condition 10(k), "**succeeded**" and "**succession**" shall be construed accordingly.
- (d) In the case of an exchange offer, the determination required pursuant to the subparagraph (a) above 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.
- (e) 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 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.

Successor Backstop Date means:

- (a) if Successor Backstop Date is specified as applying in the applicable Pricing Supplement, the date determined by the Calculation Agent:
 - (i) for purposes of any Successor determination determined by DC Resolution, the date that is 90 calendar days prior to the Successor Resolution Request Date **provided that** the Calculation Agent determines that such DC Resolution constitutes an Applicable Resolution, or
 - (ii) otherwise the date that is 90 calendar days prior to the earlier of (1) the date on which the Successor Notice is effective and (2) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered by the Calculation Agent to the Issuer not more than 14 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 **provided that** the Calculation Agent determines that such DC Resolutions constitute Applicable Resolutions; or
- (b) if Successor Backstop Date is specified as not applicable in the applicable Pricing Supplement, the Successor Backstop Date shall be deemed to be the Business Day following the Trade Date.

The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the applicable Pricing Supplement.

Successor Notice means an irrevocable notice (which may be in writing (including by facsimile and/or email and/or by telephone)) from the Calculation Agent (which the Calculation Agent has the right but not the obligation to deliver) 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 of such succession (or Sovereign Succession Event). A Successor Notice shall be subject to the requirements regarding notices in Condition 10(u).

Successor Reference Entity has the meaning given in Condition 10(k)(iii), (k)(iv) or (k)(v), as the context requires.

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, **provided that** the Calculation Agent determines that such request and the DC Resolution constitute an Applicable Request and an Applicable Resolution.

Surviving Reference Entity has the meaning given in Condition 10(k)(viii).

Suspension Event means the Calculation Agent determines that a public announcement has been made by the DC Secretary that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the DC Rules and such announcement relates to a Reference Entity and Credit Event under the Notes.

Suspension Event Cessation Date means, with respect to a Suspension Event, the date on which the Calculation Agent determines that ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (i) the matters described in the definition of Suspension Event or (ii) not to determine such matters.

TARGET Settlement Day means any day on which TARGET2 (the Trans-European Automated Real-time Gross settlement Express Transfer payment system) is open for the settlement of payments in euro.

Trade Date means the date specified as such in the applicable Pricing Supplement.

Transaction Auction Settlement Terms means the Applicable Credit Derivatives Auction Settlement Terms with respect to the Auction which the Calculation Agent determines to be the Applicable Auction with respect to the Notes.

Transaction Type means for the purposes of the application of the Physical Settlement Matrix to a Series of Notes where "**Physical Settlement Matrix Standard Terms**" is specified as applying in the Pricing Supplement, each Reference Entity designated as one of the following in the Pricing Supplement:

- (a) North American Corporate;
- (b) European Corporate, European Financial Corporate or European CoCo Financial Corporate;
- (c) Subordinated European Insurance Corporate;
- (d) Emerging European Corporate LPN;
- (e) Emerging European Corporate;
- (f) Latin America Corporate B;

- (g) Latin America Corporate BL;
- (h) Australia Corporate or Australia Financial Corporate;
- (i) New Zealand Corporate or New Zealand Financial Corporate;
- (j) Japan Corporate or Japan Financial Corporate;
- (k) Singapore Corporate or Singapore Financial Corporate;
- (l) Asia Corporate or Asia Financial Corporate;
- (m) Sukuk Corporate;
- (n) Western European Sovereign;
- (o) Latin America Sovereign;
- (p) Emerging European & Middle Eastern Sovereign;
- (q) Australia Sovereign;
- (r) New Zealand Sovereign;
- (s) Japan Sovereign;
- (t) Singapore Sovereign;
- (u) Asia Sovereign;
- (v) Sukuk Sovereign;
- (w) U.S. Municipal Full Faith and Credit;
- (x) U.S. Municipal General Fund;
- (y) U.S. Municipal Revenue,

and any other Transaction Type which may be added to the Physical Settlement Matrix from time to time.

Trigger Percentage means the percentage specified as such in the applicable Pricing Supplement (or, if no percentage is so specified, 5.25 per cent.).

Unassignable Obligation means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines to be an Assignable Loan that, due to the non-receipt of any requisite consents, are not capable of being assigned or novated to the Noteholders or their respective designees, and such consents are not obtained or deemed given by the Final Delivery Date, where:

- (a) **"Partial Cash Settlement of Assignable Loans"** is specified as applying in the applicable Pricing Supplement; and

- (b) (i) "**Direct Loan Participation**" is not specified as a Deliverable Obligation Characteristic in the applicable Pricing Supplement, or (ii) "**Direct Loan Participation**" is specified as a Deliverable Obligation Characteristic in the applicable Pricing Supplement and the relevant participation is not effected on or before the Final Delivery Date.

Undeliverable Loan Obligation means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines to be a Consent Required Loan that, due to the non-receipt of any requisite consents, is not capable of being assigned or novated to the Noteholders or their respective designees, and such consents are not obtained or deemed given by the Final Delivery Date, where:

- (a) "**Partial Cash Settlement of Consent Required Loans**" is specified as applying in the applicable Pricing Supplement; and
- (b) (i) "**Direct Loan Participation**" is not specified as a Deliverable Obligation Characteristic in the applicable Pricing Supplement, or (ii) "**Direct Loan Participation**" is specified as a Deliverable Obligation Characteristic in the applicable Pricing Supplement and the relevant participation is not effected on or before the Final Delivery Date.

Undeliverable Obligation means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation or court order or market conditions but excluding the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Physical Settlement Date.

Undeliverable Participation means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines to be a Direct Loan Participation in respect of which a participation is not effected on or before the Final Delivery Date, where "**Partial Cash Settlement of Participations**" is specified as applying in the applicable Pricing Supplement.

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 Pricing Supplement or if "Standard Unwind Costs" are specified in the applicable Pricing Supplement, an amount (which may be positive or negative) determined by the Calculation Agent equal to the sum of (i) the notional cost that would be incurred by the Issuer in unwinding the swaps (including, without limitation, any credit, currency or interest rate swap) and deposit

embedded within the Notes; and (ii) (without duplication) all costs, fees, charges, expenses (including loss of funding), 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 hedge or related trading position, such amount to be apportioned *pro rata* amongst each principal amount of Notes outstanding.

Valuation Date means:

- (a) where Physical Delivery is specified as applying in the applicable Pricing Supplement and Condition 10(n) applies, the day falling three Business Days after the Final Delivery Date; or
- (b) where Cash Settlement is specified as applying in the applicable Pricing Supplement,
 - (i) if "**Single Valuation Date**" is specified in the applicable Pricing Supplement, subject to Condition 10(e), the date that is the number of Business Days specified in the applicable Pricing Supplement (or, if the number of Business Days is not so specified, five Business Days) following the Event Determination Date (or if the Event Determination Date occurs pursuant to sub-paragraph (a)(ii) of the definition of "Event Determination Date" or sub-paragraph (b)(i) of the definition of "Non-Standard 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 Condition 10(d), the date that is the number of Business Days specified in the applicable Pricing Supplement (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
 - (ii) if "**Multiple Valuation Dates**" is specified in the applicable Pricing Supplement, subject to Condition 10(e), each of the following dates:
applicable); and

- (A) subject to Condition 10(e), the date that is the number of Business Days specified in the applicable Pricing Supplement (or, if the number of Business Days is not so specified, five Business Days) following the Event Determination Date (or if the Event Determination Date occurs pursuant to sub-paragraph (a)(ii) of the definition of "Event Determination Date" or (b)(i) of the definition of "Non-Standard 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 Additional Condition (d), the date that is the number of Business Days specified in the applicable Pricing Supplement (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 Pricing Supplement (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 Pricing Supplement, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable Pricing Supplement (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 Pricing Supplement, Single Valuation Date shall apply.

Valuation Method:

- (a) The following Valuation Methods may be specified in the applicable Pricing Supplement for a Series with only one Valuation Obligation and only one Valuation Date:
 - (i) **Market** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
 - (ii) **Highest** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Pricing Supplement, the Valuation Method shall be Highest.

- (b) The following Valuation Methods may be specified in the applicable Pricing Supplement for a Series with only one Valuation Obligation and 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 Pricing Supplement, the Valuation Method shall be Average Highest.

(c) The following Valuation Methods may be specified in the applicable Pricing Supplement for a Series with more than one Valuation Obligation and only one Valuation Date:

- (i) **Blended Market** means the unweighted arithmetic mean of the Market Value for each Valuation Obligation determined by the Calculation Agent with respect to the Valuation Date;
- (ii) **Blended Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Valuation Obligation with respect to the Valuation Date;
- (iii) **Weighted Blended Market** means the weighted arithmetic mean of the Market Value for each Valuation Obligation determined by the Calculation Agent with respect to the Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Notes; or
- (iv) **Weighted Blended Highest** means the weighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Valuation Obligation with respect to the Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Notes.

If no such Valuation Method is specified in the applicable Pricing Supplement, the Valuation Method shall be Blended Highest.

(d) The following Valuation Methods may be specified in the applicable Pricing Supplement for a Series with more than one Valuation Obligation and more than one Valuation Date:

- (i) **Average Blended Market** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;
- (ii) **Average Blended Highest** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;

- (iii) **Weighted Average Blended Market** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the weighted arithmetic mean of the values so determined with respect to each Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Notes; or
- (iv) **Weighted Average Blended Highest** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Market Valuation Method, the weighted arithmetic mean of the values so determined with respect to each Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Notes.

If no such Valuation Method is specified in the applicable Pricing Supplement, the Valuation Method shall be Average Blended Highest.

- (e) Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be.

Valuation Obligation means one or more obligations, as selected by the Calculation Agent, provided such obligations(s) are either a Reference Obligation and/or would constitute a Deliverable Obligation as at the Valuation Date (and for the purposes of interpreting the Deliverable Obligation Category and the Deliverable Obligation Characteristics references to “Delivery Date” and “Physical Settlement Date” shall be read and construed as references to the Valuation Date).

Valuation Time means the time specified as such in the applicable Pricing Supplement or, if no time is so specified, 11.00 a.m. in the principal trading market for the Valuation Obligation.

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

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

- (s) *Provisions taken from the ISDA supplement titled "Additional Provisions - Monoline Insurer as Reference Entity (May 2003)"*

If Condition 10(s) is specified as applicable in the applicable Pricing Supplement, the following provisions will apply:

- (a) **Obligation and Deliverable Obligation.** Paragraph (a) of the definition of "Obligation" in Condition 10(r) and paragraph (a) of the definition of "Deliverable Obligation" in Condition 10(r) are hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Relevant Guarantee".
- (b) **Interpretation of Provisions.** In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, the terms of paragraph (B)(4) of the definition of "Deliverable Obligation" in Condition 10(r) 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 this Condition 10 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 Pricing Supplement;
 - (iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Pricing Supplement 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; and
 - (v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "Outstanding Principal Balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the Maximum Maturity Deliverable

Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

- (c) Deliver. For the purposes of the definition of “Deliver” in Condition 10(r), “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.
- (d) Provisions for Determining a Successor. The paragraph commencing “For the purposes of this definition and Condition 10(k)” in the definition of “Successor” in Condition 10(r) is hereby amended by adding “or insurer” after “a direct obligor”.
- (e) Substitute Reference Obligation. Paragraph (c)(i) of the definition of “**Substitute Reference Obligation**” in Condition 10(r) is hereby amended by adding “or Qualifying Policy” after “or as provider of a guarantee”. For purposes of sub-paragraph (c) of the definition of “**Substitution Event**” references to “a guarantee” shall be deemed to include “**the Qualifying Policy**”.
- (f) Other Provisions. For purposes of paragraph (ii) of the definition of “Deliverable Obligation” and the definitions of “Credit Event” and “Deliver” in Condition 10(r) references to “the Underlying Obligation” and “the Underlying Obligor” shall be deemed to include “Insured Instruments” and the “Insured Obligor”, respectively.
- (g) 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 this Condition 10(s)) (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). The benefit of a Qualifying Policy must be capable of being delivered together with the Delivery of the Insured Instrument.

Instrument Payments means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified

date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

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.

(t) *Provisions taken from the ISDA supplement titled "Additional Provisions - Monoline Insurer as Reference Entity (May 2005)"*

If Condition 10(t) is specified as applicable in the applicable Pricing Supplement, the following provisions will apply:

- (a) **Obligation and Deliverable Obligation.** Paragraph (a) of the definition of "Obligation" in Condition 10(r) and paragraph (a) of the definition of "Deliverable Obligation" in Condition 10(r) are hereby amended by adding "or Qualifying Policy" after "or as provider of a Relevant Guarantee".
- (b) **Interpretation of Provisions.** In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, the terms of paragraph (B)(4) of the definition of "Deliverable Obligation" in Condition 10(r) 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 this Condition 10 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 Pricing Supplement;

- (iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Pricing Supplement 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; and
- (v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “Outstanding Principal Balance” shall mean the outstanding Certificate Balance and “maturity”, as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (c) Deliver. For the purposes of the definition of “Deliver” in Condition 10(r), “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.
- (d) Provisions for Determining a Successor. The paragraph commencing “For the purposes of this definition of “Successor”...” in the definition of “Successor” in Condition 10(r) is hereby amended by adding “or insurer” after “or guarantor”.
- (e) Substitute Reference Obligation. Paragraph (c)(i) of the definition of "**Substitute Reference Obligation**" in Condition 10(r) is hereby amended by adding "or Qualifying Policy" after "or as provider of a guarantee". For purposes of sub-paragraph (c) of the definition of "**Substitution Event**" references to "**a guarantee**" shall be deemed to include "**the Qualifying Policy**".]
- (f) 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 Condition 10(r) are hereby amended to read as follows:
 - (i) a reduction in the rate or amount or the Instrument Payments in clause (A)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
 - (ii) a reduction in the amount of the Instrument Payments described in clause (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in clause (A)(x) of

the definition thereof or (B) the payment of the Instrument Payments described in clause (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 (A) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (B) 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 or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency.
- (ii) Paragraph (c) of the definition of “Restructuring” in Condition 10(r) 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” after “Reference Entity”.
- (iii) The definition of “Restructuring” in Condition 10(r) is hereby amended by the insertion of the following paragraph after the final paragraph thereof:
- “For purposes of the definition of “Restructuring” in Condition 10(r) and if Condition 10(r) is specified as applying in the applicable Pricing Supplement for the purposes of Condition 10 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 the definition of “Restructuring” shall be deemed to refer to the Insured Obligor and the reference to the Reference Entity in paragraphs (i) to (iv) inclusive in the definition of “Restructuring” shall continue to refer to the Reference Entity.”
- (h) Fully Transferable Obligation and Conditionally Transferable Obligation. either "**Mod R**" or "**Mod Mod R**" is specified as applying in the applicable Pricing Supplement and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition 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. 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 Condition 10(l) and the definition of “Restructuring Maturity Limitation Date”, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

- (i) Other Provisions. For purposes of paragraph (ii) of the definition of “Deliverable Obligation” and the definitions of “Credit Event” and “Deliver” in Condition 10(r), 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 this Condition 10(r)) (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). The benefit of a Qualifying Policy must be capable of being delivered together with the Delivery of the Insured Instrument.

Instrument Payments means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

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.

- (u) *Calculation Agent and Calculation Agent Notices*

Whenever the Calculation Agent is required to act or exercise judgment, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall, as soon as practicable after making any determination pursuant to this Condition 10, notify the Issuer and, if required by this Condition 10, the Noteholders of such determination, provided that failure to notify the Issuer or, if applicable, the Noteholders shall not invalidate the determination. The Calculation Agent is not acting as a fiduciary for or as an advisor to the Noteholders in respect of its duties as Calculation Agent in connection with any Notes.

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 this Condition 10 shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. 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 its discretion 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 none of the Calculation Agent and 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.

In relation to the delivery by the Calculation Agent to the Issuer of any notice pursuant to this Condition 10, a notice delivered on or prior to 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be effective on such Calculation Agent City Business Day. A notice delivered after 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day or on a day which is not a Calculation Agent City Business Day will be deemed effective on the next following Calculation Agent City Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of 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.

(v) *Adherence to ISDA Protocols*

In the event that a protocol setting out an alternative settlement or valuation method is published by ISDA (a Protocol) in relation to a Reference Entity, the Calculation Agent may in its sole discretion determine whether to follow some or all of the terms of such Protocol for purposes of this Condition 10.

Notwithstanding any other provisions in this Condition 10, in the event that the Calculation Agent decides to adhere to a Protocol, the Calculation Agent may adjust such terms of this Condition 10 as it deems appropriate to reflect some or all of the relevant settlement,

valuation and other provisions of the Protocol. These may include, without limitation, adjustments in relation to the determination of any Credit Event Redemption Amount, any Final Price or any Asset Amount or determining Cash Settlement rather than Physical Settlement shall apply or vice versa. Nothing in this Condition 10(v) should be taken as requiring the Calculation Agent to follow the terms of any Protocol.

(w) Adjustments following a Constraint Event

(1) Action following a Constraint Event

If Constraint Event provisions are specified as applying in the applicable Pricing Supplement and the Calculation Agent determines that a Constraint Event has occurred or exists at any time on or prior to the Scheduled Maturity Date or any other day on which any payment or delivery is due in respect of the Notes, the Issuer in its sole and absolute discretion may, subject as provided below, take the action specified in any of (i), (ii) or (iii) 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 Final Redemption Amount and/or any other amount falling due and/or any other terms of these Conditions and/or the applicable Pricing Supplement to account for such Constraint Event, and determine the effective date of that adjustment; or
- (ii) where Constraint Event Early Redemption is specified as applying in the applicable Pricing Supplement, give notice to Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, at the Early Redemption Amount; or
- (iii) where Constraint Event Early Redemption is not specified as applying in the applicable Pricing Supplement, give notice to the Noteholders (in accordance with Condition 23) and designate the Notes as "Suspended Notes" giving notice of the effective date thereof (the **Suspension Date**). The Issuer shall have no obligation to make any payment or perform any other obligation in respect of the Notes while the Notes are Suspended Notes and, subject as provided below, any such payment or other performance shall be postponed to no later than the tenth Business Day following the Cessation Date (as defined below). No additional interest or any other payment or compensation shall be due to Noteholders as a result of any such delay. The Notes shall remain Suspended Notes until the relevant Constraint Event ceases to exist and the Issuer notifies the cessation of such Constraint Event to Noteholders in accordance with Condition 23 (the effective date of such notification the **Cessation Date**) provided that if in the determination of the Calculation Agent the relevant Constraint Event continues to exist on the second anniversary of the Suspension Date (the **Suspension Cut-Off Date**), the Suspended Notes shall expire worthless and shall be cancelled by the Issuer in which case all obligations of the Issuer to the Noteholders in respect of the Notes shall be discharged and the Noteholders shall have no further recourse to the Issuer in respect of the Notes.

Without prejudice to the foregoing, following any Cessation Date the Issuer may require the Calculation Agent to determine in its sole and absolute discretion, any adjustment to one or more of the Final Redemption Amount and/or any other amount falling due and/or any other terms of these Conditions and/or the applicable Pricing Supplement necessary or appropriate in order to determine any such amounts or other obligations due or to be performed in respect of the Notes, taking into account, without limitation, the occurrence of the relevant Constraint Event and the effect of any delay pursuant to this Condition.

If delivery of any assets is made later than the originally scheduled due date for delivery as a result of the occurrence of a Constraint Event, until delivery is made to the Noteholders, none of the Issuer, the Calculation Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to the Noteholders or any subsequent transferee any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in respect of such assets, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such assets or (iii) be under any liability to the Noteholders or any subsequent transferee in respect of any loss or damage which the Noteholders or subsequent transferees may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such assets until the date of delivery.

(2) Definition of Constraint Event

Subject as provided below, for the purposes of this Condition, **Constraint Event** means any of:

- (i) if **General Inconvertibility** is specified as applying in the applicable Pricing Supplement, the occurrence of any event that generally makes it impossible or not reasonably practicable to convert the Local Currency into the Specified Currency in any Relevant Jurisdiction through customary legal channels;
- (ii) if **Specific Inconvertibility** is specified as applying in the applicable Pricing Supplement, the occurrence of any event that makes it impossible or not reasonably practicable for any Reference Entity and/or any Hedging Party to convert the Local Currency into the Specified Currency in any Relevant Jurisdiction, other than where such impossibility or impracticality is due solely to the failure by such Reference Entity and/or Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible or not reasonably practicable for such Reference Entity and/or Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);
- (iii) if **General Non-Transferability** is specified as applying in the applicable Pricing Supplement, the occurrence of any event that generally makes it impossible or not reasonably practicable to deliver (a) the Specified Currency from accounts inside any Relevant Jurisdiction to accounts outside such Relevant Jurisdiction or (b) the Local

Currency between accounts inside the Relevant Jurisdiction or to a party that is a non-resident of such Relevant Jurisdiction;

- (iv) if **Specific Non-Transferability** is specified as applying in the applicable Pricing Supplement, the occurrence of any event that makes it impossible or not reasonably practicable for any Reference Entity and/or any Hedging Party to deliver (a) the Local Currency from accounts inside any Relevant Jurisdiction to accounts outside such Relevant Jurisdiction or (b) the Local Currency between accounts inside any Relevant Jurisdiction or to a party that is a non-resident of such Relevant Jurisdiction, other than where such impossibility or impracticality is due solely to the failure by such Reference Entity and/or Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible or not reasonably practicable for such Reference Entity and/or Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);
 - (v) if **Nationalisation** is specified as applying in the applicable Pricing Supplement, any expropriation, confiscation, requisition, nationalisation or other action is taken by a Governmental Authority which deprives any Reference Entity and/or Hedging Party of all or substantially all of its assets in any Relevant Jurisdiction;
 - (vi) if **Hedging Disruption** is specified as applying in the applicable Pricing Supplement, the Issuer determines that any arrangements entered into by any Hedging Party in order to hedge the Issuer's obligations in respect of the Notes in whole or in part cannot reasonably be established, maintained or re-established; or
 - (vii) if **Downgrade** is specified as applying in the applicable Pricing Supplement, the Credit Rating in respect of any Downgrade Obligation is lower than the relevant Specified Rating or any Downgrade Obligation is no longer rated by the relevant Rating Agency. If a Downgrade Obligation no longer exists, the Calculation Agent may, in its sole and absolute determination, identify a substitute Downgrade Obligation that ranks equal in priority of payment with the Downgrade Obligation and is issued or guaranteed (as to both principal and interest or other similar payments if applicable) by the same entity as the issuer of the Downgrade Obligation immediately prior to such substitution. The Calculation Agent may make such adjustments to the Conditions and/or the applicable Pricing Supplement to take account of any such substitution, including an adjustment in relation to the relevant Specified Rating and Rating Agency. If the Downgrade Obligation is a Reference Obligation for the purposes of this Condition 10, the Calculation Agent may, without limitation, select the relevant successor Reference Obligation determined pursuant to Condition 10 as the successor Downgrade Obligation. The Issuer shall give notice to Noteholders in accordance with Condition 23 of any such substitution and the effective date thereof.
- (3) Other Relevant Definitions

For the purposes of this Condition 10(w):

Affiliate is as defined in Condition 8(e).

Credit Rating means, in relation to a Downgrade Obligation, the rating assigned to such Downgrade Obligation by the relevant Rating Agency (irrespective of whether such rating is under review with positive or negative implications).

Downgrade Obligation, in relation to a Downgrade, is as specified in the applicable Pricing Supplement.

Hedging Party means the Issuer and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations in respect of the Notes from time to time.

Governmental Authority means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity or of any Relevant Jurisdiction, as applicable.

Local Currency means, in relation to General Inconvertibility, Specific Inconvertibility, General Non-Transferability or Specific Non-Transferability, the currency specified as such in relation to such event in the applicable Pricing Supplement and any successor currency as determined by the Calculation Agent.

Rating Agency, in relation to a Downgrade, is as specified in the applicable Pricing Supplement.

Reference Entity means each Reference Entity as such term is defined in Condition 10(r).

Relevant Jurisdiction means, in relation to General Inconvertibility, Specific Inconvertibility, General Non-Transferability or Specific Non-Transferability or Nationalisation, the jurisdiction or jurisdictions specified as such in the applicable Pricing Supplement in relation to such event and the expression Relevant Jurisdiction includes any territory or political subdivision thereof.

Specified Currency means the currency specified as such in the Pricing Supplement.

Specified Rating, in relation to a Downgrade, is as specified in the applicable Pricing Supplement.

11. Commodity Linked Notes

If the Notes are specified as Commodity Linked Interest Notes and/or Commodity Linked Redemption Notes in the applicable Pricing Supplement, the provisions of this Condition 11 apply, as applicable, as modified by the applicable Pricing Supplement.

(a) *Redemption of Commodity Linked Notes*

Unless previously redeemed or purchased and cancelled, each nominal amount of the Commodity Linked Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the **Specified Amount**) will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

(b) *Market Disruption Events and Correction of a Commodity Reference Price*

(i) Market Disruption Events

If the Calculation Agent determines in respect of any day in respect of which a Commodity Reference Price is to be determined (each a **Commodity Valuation Date**) that a Market Disruption Event has occurred or is occurring in respect of one or more Commodities, then the Calculation Agent shall determine the Level of the relevant Commodity or Commodities on such Commodity Valuation Date, at such time and in such manner, as it considers commercially reasonable in its sole and absolute discretion, acting in good faith.

If the Calculation Agent determines that on any Commodity Business Day a Market Disruption Event has occurred or is occurring, then the Calculation Agent shall determine if such Market Disruption Event has a material effect on the Notes and, if so, (I) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such Market Disruption Event and determine the date(s) on which any such adjustments will be effective; or (II) the Issuer may give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

(ii) Subsequent correction of a Commodity Reference Price

If Correction of Commodity Reference Price is specified as applying in the applicable Pricing Supplement and the Commodity Reference Price of a Commodity, in relation to a Commodity Valuation Date is subsequently corrected and such correction is published by the relevant Price Source no later than the second Commodity Business Day prior to the relevant Specified Interest Payment Date (in respect of Notes specified as Commodity Linked Interest Notes in the applicable Pricing Supplement) or the Maturity Date (in respect of Notes specified as Commodity Linked Redemption Notes in the applicable Pricing Supplement), and in any such case the Calculation Agent has notified the Issuer within that time, then the Commodity Reference Price of that Commodity in respect of any such Commodity Valuation Date shall be the Commodity Reference Price of that Commodity as so corrected.

(iii) Notification

The Issuer shall, as soon as reasonably practicable, notify the Noteholders of the existence or occurrence of a Market Disruption Event on any day that but for the occurrence or

existence of a Market Disruption Event would have been a Commodity Valuation Date in accordance with Condition 23.

(c) *Definitions applicable to Commodity Linked Notes*

Averaging Date means, subject as provided in Condition 11(b)(i) above, each date specified as an Averaging Date in the applicable Pricing Supplement.

Commodity means each of the commodities specified in the Pricing Supplement.

Commodity Business Day means (a) in respect of any Commodity for which the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time; and (b) in respect of any Commodity for which the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price.

Commodity Reference Dealers means that the price for a date will be determined on the basis of quotations provided by Reference Dealers on that date of that day's Specified Price for a unit of the relevant Commodity for delivery on the Delivery Date, if applicable. If four quotations are provided as requested, the price for that date will be the arithmetic mean of the Specified Prices for that Commodity provided by each Reference Dealer, without regard to the Specified Prices having the highest and lowest values. If exactly three quotations are provided as requested, the price for that date will be the Specified Price provided by the relevant Reference Dealer that remains after disregarding the Specified Prices having the highest and lowest values. For this purpose, if more than one quotation has the same highest value and lowest value, then the Specified Price of one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the price for the date cannot be determined.

Commodity Reference Price means, in respect of a Commodity, the price determined in accordance with the method specified in respect of such Commodity or the related Futures Contract in the Pricing Supplement.

Commodity Underlying Event means Disappearance of Commodity Reference Price, Material Change in Formula, Material Change in Content or Tax Disruption.

Delivery Date means, in respect of a Commodity Reference Price, the Nearby Month of expiration of the relevant Futures Contract or the relevant date or month for delivery of the Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (A) if a date is, or a month and year are, specified in the Pricing Supplement, that date or that month and year;

- (B) if a Nearby Month is specified in the Pricing Supplement, the month of expiration of the relevant Futures Contract; and
- (C) if a method is specified in the relevant Pricing Supplement for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method.

Disappearance of Commodity Reference Price means in relation to a Commodity Reference Price, (a) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange, (b) the disappearance of, or of trading in, the relevant Commodity or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or Commodity.

Exchange means the principal exchange or trading market on which the relevant Commodity or Futures Contract is traded, as specified in respect of such Commodity in the Pricing Supplement, or if not so specified, as determined by the Calculation Agent.

Futures Contract means, in respect of a Commodity and a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to that Commodity specified in the Pricing Supplement.

Level means the level, price, rate or similar indicator used to determine the value of a Commodity.

LME means London Metal Exchange Limited or its successor.

Market Disruption Event means the occurrence, with respect to any Commodity or Futures Contract, of any of Price Source Disruption, Trading Disruption or Commodity Underlying Event if so specified in the Pricing Supplement or such other event as may be specified in the Pricing Supplement.

Material Change in Content means, in respect of a Commodity, the occurrence since the Issue Date of a material change in the content, composition or constitution of the relevant Commodity or Futures Contract.

Material Change in Formula means, in respect of a Commodity, the occurrence since the Issue Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price.

Nearby Month, when preceded by an ordinal adjective, means, in respect of a date, the month of expiration of the Futures Contract identified by that ordinal adjective, so that: (i) "First Nearby Month" means the month of expiration of the first Futures Contract to expire following that date; (ii) "Second Nearby Month" means the month of expiration of the second Futures Contract to expire following that date; and, for example, (iii) "Sixth Nearby Month" means the month of expiration of the sixth Futures Contract to expire following that date.

Price Source means, in respect of a Commodity, 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 relevant Pricing Supplement or, if not so specified, as determined by the Calculation Agent.

Price Source Disruption means, in respect of a Commodity or Futures Contract, (i) the failure of the relevant Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price; (ii) the temporary or permanent discontinuance or unavailability of the Price Source; (iii) if the Commodity Reference Price is “Commodity Reference Dealers”, the failure to obtain at least three quotations as requested from the relevant Reference Dealers; or (iv) if a Price Materiality Percentage is specified in the relevant Pricing Supplement, the Specified Price for the relevant Commodity Reference Price differs from the Specified Price determined in accordance with the Commodity Reference Price “Commodity Reference Dealers” by such Price Materiality Percentage.

Reference Dealers means, in respect of a Commodity for which the Commodity Reference Price is “Commodity Reference Dealers”, the four dealers specified in the Pricing Supplement or, if dealers are not so specified, four leading dealers in the relevant market selected by the Issuer.

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 relevant Pricing Supplement (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 fixing; (O) the spot price; or (P) any other price specified in the relevant Pricing Supplement.

Strike Date means, subject as provided in Condition 11(b)(i) above, the date specified as the Strike Date in the applicable Pricing Supplement.

Tax Disruption means, in respect of a Commodity, the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to the relevant Commodity or Futures Contract (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the Commodity Reference Price on the day on which the Commodity Reference Price would otherwise be determined from what it would have been without that imposition, change or removal.

Trading Disruption means, in respect of the relevant Commodity, the material limitation imposed on trading or the material suspension of trading in the Commodity on the Exchange

or in any additional futures contract, options contract or commodity on any exchange or principal trading market. For these purposes:

- (a) a suspension of the trading in the Futures Contract or the relevant Commodity on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract or the relevant Commodity is suspended for the entire day; or
 - (ii) all trading in the Futures Contract or the relevant Commodity is suspended subsequent to the opening of trading on the relevant day, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such day and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the Futures Contract or the relevant 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 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.

Valuation Date means, subject as provided in Condition 11(b)(i) above, the date specified as the Valuation Date in the applicable Pricing Supplement.

12. Government Bond Linked Notes

If the Notes are specified as Government Bond Linked Interest Notes and/or Government Bond Linked Redemption Notes in the applicable Pricing Supplement, the provisions of this Condition 12 apply, as applicable, as modified by the applicable Pricing Supplement.

(a) Redemption of Government Bond Linked Notes

Unless previously redeemed or purchased and cancelled, each nominal amount of the Government Bond Linked Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the **Specified Amount**) will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

(b) Adjustments and Determination

(i) Market Disruption Events

If the Calculation Agent determines in respect of any day on which the Level of a Government Bond or related futures contract is to be determined (each a **Government Bond Valuation Date**) that a Market Disruption Event has occurred or is occurring in respect of one or more Government Bonds or related futures contract(s), then the Calculation Agent shall determine the Level of the relevant Government Bonds(s) or related futures contract(s)

on such Government Bond Valuation Date, at such time and in such manner, as it considers commercially reasonable in its sole and absolute discretion, acting in good faith.

If the Calculation Agent determines that on any Business Day a Market Disruption Event has occurred or is occurring, then the Calculation Agent shall determine if such Market Disruption Event has a material effect on the Notes and, if so, (I) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such Market Disruption Event and determine the date(s) on which any such adjustments will be effective; or (II) the Issuer may give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

(ii) Notice

Upon the Calculation Agent making a determination pursuant to (i) above, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 23 giving details of such determination.

(c) Definitions applicable to Government Bond Linked Notes

Averaging Date means, subject as provided in Condition 12(b)(i) above, each date (if any) specified as an Averaging Date in the applicable Pricing Supplement.

Exchange means the exchange or quotation system specified in the applicable Pricing Supplement or any successor to such exchange or quotation system.

Government Bond means the Government Bond (or, if more than one, each Government Bond) specified in the applicable Pricing Supplement.

Information Source means the information source specified in the applicable Pricing Supplement.

Level means the level, price, rate or similar indicator used to determine the value of a Government Bond or related futures contract.

Market Disruption Event means the suspension of or limitation imposed on trading either (i) on any exchange on which the relevant Government Bond(s) or any of them are traded or (ii) on any exchange on which any futures contract with respect to the Government Bond(s) or any of them are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

Reference Asset means the Reference Asset (or, if more than one, each Reference Asset) specified in the applicable Pricing Supplement, if any.

Valuation Date means, subject as provided in Condition 12(b)(i) above, the date specified as the Valuation Date in the applicable Pricing Supplement.

13. Fund Linked Notes

If the Notes are specified as Fund Linked Interest Notes and/or Fund Linked Redemption Notes in the applicable Pricing Supplement, the provisions of this Condition 13 apply, as applicable, as modified by the applicable Pricing Supplement.

(a) Redemption of Fund Linked Notes

Unless previously redeemed or purchased and cancelled, each nominal amount of the Fund Linked Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the **Specified Amount**) will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

(b) Adjustments and Determination

(i) Trigger Events

If the Calculation Agent determines in respect of any day on which the net asset value of any Fund Shares is to be determined (each a **Fund Valuation Date**) that a Trigger Event, Potential Trigger Event or Insolvency in respect of the Fund, the Management Company or any Fund Service Provider, or any Merger Event in respect of the Fund or the Management Company has occurred or is occurring, then the Calculation Agent shall determine the net asset value of the relevant Fund Shares on such Fund Valuation Date, at such time and in such manner, as it considers commercially reasonable in its sole and absolute discretion, acting in good faith.

Following the determination by the Calculation Agent of the occurrence of any Trigger Event, Potential Trigger Event or Insolvency in respect of the Fund, the Management Company or any Fund Service Provider, or any Merger Event in respect of the Fund or the Management Company, the Calculation Agent shall notify the Issuer who shall notify the Noteholders by no later than five Business Days following the determination of such event, in accordance with Condition 23. In respect of each Trigger Event, Potential Trigger Event, Insolvency or Merger Event that has not been waived by the Issuer, following the occurrence of such an event (and regardless of whether or not such event is then continuing) the Calculation Agent may in its discretion take any of following actions (each, a **Permitted Action**):

- (a) (X) make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and relating to the relevant Notes as the Calculation Agent determines appropriate to account for the economic effect on the relevant Notes of such Trigger Event, Potential Trigger Event, Insolvency or Merger Event and (Y) determine the effective date of the relevant adjustments; or
- (b) if specified as applicable in the applicable Pricing Supplement, select a replacement fund (the **Replacement Fund**), which in its reasonable opinion has a similar risk profile as the Fund as determined by the Calculation Agent to

replace such Fund and the appropriate date (the **Substitution Date**) for the replacement of the Fund by the Replacement Fund;

Following any such selection (i) the Replacement Fund shall replace the Fund on the Substitution Date, (ii) references herein to the name of the Fund shall be deemed to be references to the name of the Replacement Fund with effect from the Substitution Date and (iii) the Calculation Agent shall, in good faith, make such adjustment as it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions in relation to the relevant Notes to reflect such substitution;

- (c) redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest; or
- (d) if “Suspension Asset” is specified as applicable in the applicable Pricing Supplement, make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions as are necessary to reflect a notional liquidation of all of the Fund Shares (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Fund Shares at the relevant time) and a notional investment of the liquidation proceeds in either (i) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Note equal to the Issue Price of the Note, (ii) commercial paper rated at least A1/P1 or above by Moody’s Investors Service, Inc. (any transaction costs that would be incurred in respect of an actual such investment may be deducted from the value of the Note) or (iii) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Calculation Agent in respect of such a deposit (each a Suspension Asset) as determined by the Calculation Agent in its discretion.

Notwithstanding that the Calculation Agent may have previously determined not to take a Permitted Action or only took one Permitted Action, it shall not be prevented from subsequently or concurrently deciding to adopt an additional or different Permitted Action in respect of the same Trigger Event, Potential Trigger Event, Insolvency or Merger Event. In such respect, the Issuer may make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions of the relevant Notes as the Calculation Agent determines appropriate to account for the fact that the Permitted Action selected has been altered.

Notwithstanding anything in this Condition 13, the Calculation Agent is under no obligation to determine that a Trigger Event, Potential Trigger Event, Insolvency or Merger Event has occurred or take any or all of the Permitted Actions.

(ii) Notice

Upon the Calculation Agent making a determination pursuant to (i) above, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 23 giving details of such determination.

(c) Definitions applicable to Fund Linked Notes

Averaging Date means, subject as provided in Condition 13(b)(i) above, each date (if any) specified as an Averaging Date in the applicable Pricing Supplement.

Effective Date means the date on which any Hedge Position becomes effective.

Fund means, subject to adjustment or substitution (if applicable) in accordance with this Condition 13, the Fund (or, if more than one, each Fund) specified in the applicable Pricing Supplement.

Fund Business Day means any day that is not a Saturday or a Sunday on which banks are open for general business in the jurisdictions specified in the applicable Pricing Supplement.

Fund Prospectus means the prospectus, offering memorandum, listing particulars or other document which contains, among other things, the investment, objectives, portfolio guidelines or strategy of the relevant Fund(s) as described in the applicable Pricing Supplement.

Fund Service Provider means any third party service provider appointed to provide services, directly or indirectly, to the Fund(s), whether or not specified in the Fund Prospectus, including but not limited to any adviser, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent.

Fund Shares means shares issued by the Fund(s) specified in the applicable Pricing Supplement.

Hedge Position means any purchase, sale, entry into or maintenance of, one or more (i) positions or contracts in Fund Shares, securities, options, futures, derivatives or foreign exchange, (ii) securities lending transactions or (iii) other instruments or arrangements (however described) by the Issuer, the Calculation Agent or any Hedge Provider in order to hedge the Issuer's risk of entering into and performing its obligations with respect to Notes.

Hedge Provider means any Affiliate(s) and/or any other part(y)(ies) and/or any special purpose vehicle(s) holding or entering into a Hedge Position in connection with the Issuer's hedging arrangements in respect of Notes.

Information Source means the information source specified in the applicable Pricing Supplement.

Insolvency means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Relevant Party or Fund Service Provider, (A) all the shares, units or other equity interests of that Relevant Party, respectively, are required to be transferred to a trustee, liquidator or other similar official or (B) holders of all or some of the shares, units or other equity interests of that Relevant Party or Fund Service Provider, respectively, become legally prohibited from transferring them.

Management Company means, in respect of the Fund, the investment manager of the Fund or, in respect of any publication of the net asset value of the Fund, the service provider responsible for publishing such net asset value.

Merger Event means, in respect of any relevant shares, units or interests issued by a Relevant Party, any (i) reclassification or change of such shares, units or interests that results in a transfer of or an irrevocable commitment to transfer all of such shares, units or interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of such Relevant Party with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Relevant Party is the continuing entity and which does not result in a reclassification or change of all of such shares, units or interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding shares, units or interests of such Relevant Party that results in a transfer of or an irrevocable commitment to transfer all such shares, units or interests (other than such shares, units or interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Fund or Management Company, as applicable, or its subsidiaries with or into another entity in which the Fund or Management Company, as applicable, is the continuing entity and which does not result in a reclassification or change of all such shares, units or interests outstanding but results in the outstanding shares, units or interests (other than shares, units or interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding shares, units or interests immediately following such event.

Portfolio Guidelines means the investment guidelines, objectives and restrictions as set out in the Fund Prospectus.

Potential Trigger Event means any event or circumstance which would or may (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing), in the determination of the Calculation Agent, constitute or cause a Trigger Event or where the Calculation Agent reasonably believes in good faith that a Trigger Event may have occurred but does not at that time have evidence thereof.

Relevant Party means, in respect of each Fund, the Fund, its Management Company or any prime broker, custodian or other service provider to the Fund.

Trigger Event means each of the following events, as determined by the Calculation Agent and/or the Issuer (as the case may be) (in the sole and absolute discretion of the Issuer or the Calculation Agent (as applicable)):

(a) **Global Events:**

- (i) The strategy/investment objective of the Fund has changed so that it is substantially different from that applicable at the Effective Date or, if applicable, the Substitution Date (as the case may be), or any material change in the underlying nature, strategy or risk of the Fund's portfolio, over and above that expected with respect to the trading strategies employed.
- (ii) The Calculation Agent is not satisfied that the Fund is being managed in accordance with its rules or in accordance with the description of the Fund's strategy/investment/portfolio objectives contained in the relevant Fund Prospectus prepared in connection with the marketing of the Fund, and the Management Company, any Fund Service Provider or director of the Fund has failed to take any action satisfactory to the Calculation Agent within five Business Days from the date on which such change occurred with a view towards correcting such change.
- (iii) The currency of denomination of the Fund Shares is amended so that the net asset value of the Fund Shares is no longer calculated in the same currency as at the Effective Date or, if applicable, Substitution Date, as the case may be.
- (iv) The activities of the Fund or the Management Company, or any Fund Service Provider and/or any of their respective directors, officers, employees or agents are placed under review or investigation by any administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, alleged engagement in fraudulent activities, breach of any rule or regulation or other similar reason and/or the Fund or the Management Company, or any Fund Service Provider and/or any of their respective directors, officers, employees or agents have any of their respective registrations, authorisations, licences or memberships with any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.
- (v) Written notification by the Management Company to holders of Fund Shares, or to the administrator of the Fund, that it believes it is not advisable to continue operation of the Fund because it is not

economically prudent to do so or the strategy/investment/portfolio objectives of the Fund cannot be met in the foreseeable future, or for similar reasons or the Fund ceasing to trade or a petition is made for the winding-up, dissolution or liquidation of the Fund.

- (vi) The Fund, the Management Company or any Fund Service Provider becomes party to any litigation or dispute which the Calculation Agent considers material.
- (vii) Any security granted by the Fund, the Management Company or any Fund Service Provider over any of their assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Fund, the Management Company or any Fund Service Provider.
- (viii) The Calculation Agent determines that the operation or organisation of the Fund or the Management Company (including, without limitation, its organisational structure and its procedures, processes or policies in respect of investment selection, due diligence, asset allocation, risk management or investment monitoring) has changed from that at the Effective Date or, if applicable, the Substitution Date, as the case may be, or that any such procedures, processes or policies are either not being applied or are not being applied consistently with their application on the Effective Date or, if applicable, the Substitution Date, as the case may be.
- (ix) Any event or change affecting any of the structure, ownership, management, reputation or solvency of the Fund and/or any units in the capital of the Fund and/or the Management Company and/or any Fund Service Provider that the Calculation Agent does not pre-approve in writing and which is likely to have a significant impact on the value of the net asset value of the Fund Shares immediately or thereafter which the Calculation Agent determines is material.
- (x) The Fund, the Management Company or any Fund Service Provider has experienced or is experiencing a material adverse change, as determined by the Calculation Agent, in its business, assets, operations or financial condition.

- (xi) Any material amendments, changes, modifications or variations made to any of the material terms and conditions, contents of the Fund Prospectus or investment guidelines of the Fund (including a material change in the liquidity of the Fund) that has not been previously agreed with the Issuer and which could be detrimental to the Issuer.
 - (xii) Any event occurs which, in the opinion of the Calculation Agent, causes or will, with the passage of time, cause the failure of the Management Company and/or the Fund and/or any Fund Service Provider to meet or maintain any material obligation or undertaking under the Fund's statutory and operating documents.
 - (xiii) There is a reduction in the number of Fund Shares, or there is a reduction in the number of Fund Shares held for the account of any investor in the Fund for reasons beyond the control of that investor which the Calculation Agent considers material.
 - (xiv) The Calculation Agent determines that the Issuer, its Affiliates or any Hedge Provider is or may in the future be unable, or that it may be difficult or impractical for any such entity to perform any obligation imposed on any such entity by the law or regulation of any relevant jurisdiction, including, without limitation, any regulatory reporting obligation, any relevant regulatory or administrative body or court of competent jurisdiction by reason of its investment in Fund Shares.
 - (xv) Any circumstances affecting the availability of Fund Shares to any actual holder of Fund Shares as a result of which the Calculation Agent determines that if the Issuer, any of its Affiliates or any Hedge Provider were such holder, it would be unable to hedge its position with respect to the Notes on terms comparable to those applicable on the Effective Date.
 - (xvi) A cross-contamination or other failure effectively to segregate the portfolio of assets occurs between different series, classes and/or sub-funds in relation to the Fund (if the Fund is part of an umbrella structure with more than one sub-fund).
 - (xvii) Significant market, trading or exchange disruption and/or crisis in the major financial markets.
- (b) **Net Asset Value and Reporting:**
- (i) The Management Company (a) fails to calculate the net asset value of the Fund Shares for three consecutive days on which it was scheduled, in accordance with the rules of the Fund or the

description contained in the Fund Prospectus or (b) makes any change to the methodology used for calculating either the net asset value of the Fund Shares or any estimate of the net asset value of the Fund Shares or (c) fails to calculate and publish the net asset value of the Fund Shares with the frequency set out in the Fund Prospectus or (d) fails to calculate and deliver any estimate of its net asset value to the Issuer or an Affiliate of the Issuer or a Hedge Provider in accordance with such timing as it has previously provided such information.

- (ii) The Fund, the Management Company or any Fund Service Provider amends the time delay between calculation of the net asset value (or any estimated net asset value) of the Fund Shares and the publication of such net asset value (or estimated net asset value) so that it is no longer the same as set out in the Fund Prospectus, or the Fund, the Management Company or any Fund Service Provider fails to publish any other information relating to the Fund to be published in accordance with its rules or the Fund Prospectus or fails to publish such information in accordance with the timetable therefor set out in its rules or in the Fund Prospectus.
- (iii) The audited net asset value of the Fund Shares is in the determination of the Calculation Agent materially different from the related net asset value previously published by the Fund, or the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund or any net asset value published by the Fund, or the Calculation Agent considers that the net asset value of the Fund or of any sub-fund held by the Fund, in respect of any calculation date, does not reflect the net asset value of such fund as it would have been determined by the independent auditors of that fund using generally accepted accounting standards in the appropriate jurisdiction, unless the Calculation Agent receives the net asset value information in satisfactory form within 10 Fund Business Days of the date it was originally due.
- (iv) The decline in assets under management of the Fund since the Effective Date or, if applicable, the Substitution Date, as the case may be, is greater than 50 per cent., as determined by the Calculation Agent.
- (v) The Calculation Agent has not received from the Fund, the Management Company or any Fund Service Provider or director of the Fund, any reports, including but not limited to, risk reporting and/or financial reporting and/or audit reporting, required by the Calculation Agent in connection with the relevant Notes within any

agreed time scale or has received, in the opinion of the Calculation Agent, erroneous reporting, unless cured within such period as may be agreed from time to time between the Calculation Agent and the Fund or the Management Company, or any director of the Fund or Fund Service Provider.

(c) **Fund Shares:**

Any of the following events relating to the Fund Shares:

- (i) a subdivision, reclassification or distribution of Fund Shares which has a diluting or concentrative effect on the theoretical value of the Fund Shares;
- (ii) a (A) dividend (including cash and whether ordinary or extraordinary), (B) distribution or (C) issue of Fund Shares, capital, securities, rights or other assets or interests to existing holders of Fund Shares which has or, in the opinion of the Calculation Agent, is likely to have an effect on the value of the Fund Shares;
- (iii) a call by the Fund in respect of Fund Shares that are not fully paid;
- (iv) any suspension or limitation on the trading of the relevant currencies in which the Fund Shares are denominated.

(d) **Trading:**

- (i) The Issuer, its Affiliates or any Hedge Provider would be required to pay or would otherwise incur (a) a subscription fee in respect of a purchase of Fund Shares or (b) a redemption fee in respect of a sale of Fund Shares (as the case may be) of the Fund in relation to their hedging activities in respect of the relevant Notes.
- (ii) Any material suspension of or limitation imposed on trading of the Fund or on trading in the Fund Shares or any relevant currencies in which the Fund Shares are denominated (for any reason, including, without limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Fund is deferred in whole or in part or is made at a value other than the related net asset value.
- (iii) The failure of trading to commence, or the permanent discontinuation of trading of the Fund or in the Fund Shares.
- (iv) The Issuer, its Affiliates or any Hedge Provider would be obliged (whether by the Management Company or otherwise) to redeem all

or some of the Fund Shares that it is holding in relation to its hedging activities in respect of the relevant Notes.

- (v) If, in the determination of the Calculation Agent, the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or funding spread to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to the Fund Shares of entering into and performing its obligations with respect to the relevant Notes or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).
 - (vi) The Fund or the Management Company amends the frequency at which Fund Shares can be traded so that it is no longer the same as set out in the Fund Prospectus or amends the timing for subscription or redemption of Fund Shares, including, without limitation, the timetable for payment of redemption proceeds upon redemption.
 - (vii) The Calculation Agent determines that if the Issuer or any of its Affiliates were to redeem Fund Shares, such person would not (i) receive full proceeds of such redemption in cash in accordance with the redemption proceeds timing set out in the Fund Prospectus or (ii) receive any in-kind distribution in full or part satisfaction of the redemption proceeds paid or payable to it.
 - (viii) The occurrence of any of the following: (i) a devaluation generally of, or decrease in liquidity in respect of, investments in any market in which the Fund is invested; (ii) a lack of availability of interbank funding to the Issuer, any of the Issuer's Affiliates or any Hedge Provider at a commercially reasonable rate for the purposes of acquiring or maintaining a position in the Fund Shares; or (iii) any other market restrictions or events that have an adverse effect on the value of the Fund Shares, or on the ability of the Issuer, any of the Issuer's Affiliates or any Hedge Provider to hedge its exposure in connection with the relevant Notes, as determined by the Calculation Agent in its discretion.
 - (ix) Any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between the Issuer and the Fund, or the Management Company, any Fund Service Provider or the directors of the Fund, which the Calculation Agent is advised, to its reasonable satisfaction, to be unenforceable.
- (e) **Management Company and Fund Service Provider Failures:**

- (i) The Management Company indicates or acknowledges that in its opinion the strategy/investment/portfolio objectives of the Fund will not be, or are no longer able to be, met or the Management Company proposes or recommends the liquidation, dissolution or discontinuance of the Fund.
- (ii) Failure by the Management Company or any Fund Service Provider to (a) submit redemption notices, enter into subscription agreements, or take other action, in each case, within five Fund Business Days from the date on which a breach of the Portfolio Guidelines occurred, with a view towards curing such breach or (b) actually cure any breach of the parameters of the Portfolio Guidelines on the date on which the relevant breach of the Portfolio Guidelines occurred.
- (iii) The Calculation Agent is unable, or it is impracticable for the Calculation Agent, to promptly obtain any information in relation to the business, assets, operations or financial condition of the Fund, the Management Company or any Fund Service Provider which the Calculation Agent deems necessary for any determinations, including, but not be limited to, determinations in respect of the breach of any parameter of the Portfolio Guidelines and the occurrence of any Trigger Event or in the execution of its duties and obligations under the relevant Notes.
- (iv) Other than in connection with a market disruption, a failure by the Fund, the Management Company or any Fund Service Provider to submit redemption notices to the entities in which the Fund invests as and when required to begin the redemption process.
- (v) Failure by the Management Company to take action satisfactory to the Calculation Agent and within a prompt timescale satisfactory to the Calculation Agent so as to have cured within such time period as may be agreed to from time to time between the Calculation Agent and the Fund or the Management Company any breach of any representations, covenants and agreements under the investment management agreement relating to the Fund.
- (vi) Resignation by the Management Company as investment manager of the Fund or any Fund Service Provider, or termination or other change of the Management Company as investment manager or other Fund Service Provider or any change in the personnel of the Management Company or any Fund Service Provider, which the Calculation Agent considers material.

- (vii) The Management Company increases its management fee or incentive fee charged to the Fund in an amount that the Calculation Agent determines is material.
- (viii) The Management Company, the Fund or any Fund Service Provider or director of the Fund fails to provide the Calculation Agent with adequate information as may be required to determine the occurrence of a Trigger Event.
- (ix) Failure by the Fund and/or the Management Company or any Fund Service Provider or director of the Fund to notify or disclose to the Issuer, on the Effective Date, any information, event or circumstance that was in existence on such date and which the Calculation Agent determines is material.
- (x) The Management Company ceases to exist or trade or a petition is made for the winding-up, dissolution or liquidation of the Management Company.

(f) **Service Provider Failures:**

Any Fund Service Provider or the Management Company resigns or their relationship with the Fund or the Management Company, as applicable, is otherwise terminated and the Calculation Agent considers that such resignation or termination (as the case may be) is material, or such party is bankrupt, insolvent, wound-up, liquidated, dissolved, ceases to exist or otherwise ceases to continue to perform its duties.

(g) **Regulatory Constraints:**

- (i) There is any change in the regulatory or tax treatment applicable with respect to the Fund, the Management Company or Fund Service Provider which, in the determination of the Calculation Agent, could have an economic impact for the Issuer, its Affiliates or any Hedge Provider as a holder of an interest in the Fund, as the case may be, or could materially adversely affect the carrying out of the strategy/investment objective of the Fund or could result in the Fund, the Management Company or any Fund Service Provider incurring additional costs which, in the determination of the Calculation Agent, would be material.
- (ii) The Issuer deems it necessary or appropriate, in order for it or any of its Affiliates or any Hedge Provider to comply with or remain within any applicable legal and/or regulatory limits on the amounts of Fund Shares that it or they may hold, to redeem all or some of the Fund Shares.

- (iii) The Calculation Agent determines that the Issuer, its Affiliates or any Hedge Provider is or may in the future be unable, or that it may be difficult or impractical for any such entity to perform any obligation imposed on it by the law or regulation of any relevant jurisdiction, including, without limitation, any regulatory or accounting reporting obligation, any relevant regulatory or administrative body or court of competent jurisdiction by reason of its investment in Fund Shares.
- (h) **Hedge Provider:**
 - (i) A material decline in the creditworthiness of a party with whom the Issuer has entered into any relevant hedging transaction (a Relevant Hedging Transaction) in respect of the Issuer's obligations in connection with the Notes.
 - (ii) The general unavailability of:
 - (a) market participants who will agree to enter into a Relevant Hedging Transaction; or
 - (b) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.
 - (i) **General:** Any other event which, in the discretion of the Calculation Agent, has an analogous effect to any of the events specified in this Condition 13.

Valuation Date means, subject as provided in Condition 13(b)(i) above, the date specified as the Valuation Date in the applicable Pricing Supplement.

14. Inflation Index Linked Notes

If the Notes are specified as Inflation Index Linked Interest Notes and/or Inflation Index Linked Redemption Notes in the applicable Pricing Supplement, the provisions of this Condition 14 apply, as applicable, as modified by the applicable Pricing Supplement.

(a) Redemption of Inflation Index Linked Notes

Unless previously redeemed or purchased and cancelled, each nominal amount of the Inflation Index Linked Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the **Specified Amount**) will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

(b) Adjustments and Determination

(i) Modification and Discontinuation of the Inflation Index

If the Inflation Index is not published in a timely manner before any calculation is to be made, all relevant calculations will be determined by the Calculation Agent in its sole and absolute discretion by reference to the most recent value of the Inflation Index published in respect of a month prior to the relevant Inflation Fixing Month, adjusted in accordance with standard market methodologies, as determined by the Calculation Agent.

If the Inflation Index is discontinued or altered in the opinion of the Calculation Agent, the Issuer will use such other inflation index deemed appropriate by it or determine a substitute Inflation Index level in its sole and absolute discretion.

If, at any time, the Inflation Index is revised to a new base, the Calculation Agent, acting in its sole and absolute discretion, will make any necessary adjustments to ensure that the economic equivalent of the Notes is preserved.

In each of the above cases, (I) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any event and determine the date(s) on which any such adjustments will be effective; or (II) the Issuer may give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

(ii) Notice

Upon the Calculation Agent making a determination pursuant to (i) above, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 23 giving details of such determination.

(c) Definitions applicable to Inflation Index Linked Notes

Averaging Date means, subject as provided in Condition 14(b)(i) above, each date (if any) specified as an Averaging Date in the applicable Pricing Supplement.

Index Sponsor means, in relation to an Inflation Index, the entity that announces (directly or through an agent) the level of such Inflation Index or any successor index sponsor.

Inflation Fixing Months means the months specified in the applicable Pricing Supplement for which the level of the Inflation Index was reported, regardless of when this information is published or announced or if the period for which it is reported is a period other than a month then Inflation Fixing Month is the month at the end of such period.

Inflation Index means, subject to adjustment in accordance with this Condition 14, the Inflation Index (or, if more than one, each the Inflation Index) specified in the applicable Pricing Supplement.

Information Source means the information source specified in the applicable Pricing Supplement.

Valuation Date means, subject as provided in Condition 14(b)(i) above, the date specified as the Valuation Date in the applicable Pricing Supplement.

15. Certificate Linked Notes

If the Notes are specified as Certificate Linked Interest Notes and/or Certificate Linked Redemption Notes in the applicable Pricing Supplement, the provisions of this Condition 15 apply, as applicable, as modified by the applicable Pricing Supplement.

(a) Redemption of Certificate Linked Notes

Unless previously redeemed or purchased and cancelled, each nominal amount of the Certificate Linked Notes equal to the Calculation Amount set out in the applicable Pricing Supplement (the **Specified Amount**) will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

(b) Adjustments and Determination

(i) Market Disruption Events

If the Calculation Agent determines in respect of any day on which the price of a Certificate is to be determined (each a **Certificate Valuation Date**) that a Market Disruption Event has occurred or is occurring in respect of one or more Certificates, then the Calculation Agent shall determine the price of the relevant Certificate(s) on such Certificate Valuation Date, at such time and in such manner, as it considers commercially reasonable in its sole and absolute discretion, acting in good faith.

If the Calculation Agent determines that on any Business Day a Market Disruption Event has occurred or is occurring, then the Calculation Agent shall determine if such Market Disruption Event has a material effect on the Notes and, if so, (I) the Calculation Agent may make such adjustments to any of the Conditions as it considers appropriate to account for any such Market Disruption Event and determine the date(s) on which any such adjustments will be effective; or (II) the Issuer may give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest.

(ii) Notice

Upon the Calculation Agent making a determination pursuant to (i) above, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 23 giving details of such determination.

(c) Definitions applicable to Certificate Linked Notes

Averaging Date means, subject as provided in Condition 15(b)(i) above, each date (if any) specified as an Averaging Date in the applicable Pricing Supplement.

Certificate means the Certificate (or, if more than one, each Certificate) specified in the applicable Pricing Supplement.

Exchange means the exchange or quotation system specified in the applicable Pricing Supplement or any successor to such exchange or quotation system.

Information Source means the information source specified in the applicable Pricing Supplement.

Market Disruption Event means the suspension of or limitation imposed on trading either (i) on any exchange on which the Underlying is listed and/or traded or (ii) on any exchange on which any futures, forward or options contract with respect to the Underlying are listed and/or traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

Valuation Date means, subject as provided in Condition 15(b)(i) above, the date specified as the Valuation Date in the applicable Pricing Supplement.

16. Additional Disruption Events

(a) *Definitions*

Additional Disruption Event means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case if specified as “Applicable” in the applicable Pricing Supplement, provided that Hedging Disruption shall apply unless otherwise specified in the applicable Pricing Supplement.

Change in Law means that, on or after the Trade Date (as specified in the applicable Pricing Supplement) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of Hedging Positions or (Y) the Issuer will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

Hedging Disruption means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the

equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

Hedging Positions means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instructions or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Notes.

Hedging Shares means the number of Underlying Equities (in the case of Equity Linked Notes) or securities/commodities comprised in an Index (in the case of Index Linked Notes) that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

Increased Cost of Hedging means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

Increased Cost of Stock Borrow means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Underlying Equity (in the case of Equity Linked Notes) or any security/commodity comprised in an Index (in the case of Index Linked Notes) that is greater than the Initial Stock Loan Rate.

Initial Stock Loan Rate means, in respect of an Underlying Equity (in the case of Equity Linked Notes) or a security/commodity comprised in an Index (in the case of Index Linked Notes), the rate which the Issuer and/or any of its Affiliates would have incurred to borrow such Underlying Equity or such security/commodity, as the case may be, as of the Trade Date, as determined by the Issuer.

Insolvency Filing means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

Loss of Stock Borrow means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Underlying

Equity (in the case of Equity Linked Notes) or any securities/commodities comprised in an Index (in the case of Index Linked Notes) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

Maximum Stock Loan Rate means, in respect of an Underlying Equity (in the case of Equity Linked Notes) or a security/commodity comprised in an Index (in the case of Index Linked Notes), the lowest rate at which the Issuer and/or any of its Affiliates, after using commercially reasonable efforts, would have incurred to borrow (and maintain a borrowing of) such Underlying Equity or such security/commodity, as the case may be, in an amount equal to the Hedging Shares, as of the Trade Date, as determined by the Issuer.

(b) *Occurrence of Additional Disruption Events*

If an Additional Disruption Event occurs, the Issuer may take the action described in (i) or (ii) below:

- (i) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Rate of Interest and/or the Interest Amount(s) and/or the Asset Amount and/or the Strike Price and/or any of the other terms of these Conditions and/or the applicable Pricing Supplement to account for the Additional Disruption Event including (in respect of Equity Linked Notes) (unless “Equity Substitution” is specified as not applying in the applicable Pricing Supplement) the substitution of the Substituted Equity the subject of the Additional Disruption Event by a New Equity and determine the effective date of that adjustment; or
- (ii) give notice to the Noteholders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount (determined in accordance with the applicable Pricing Supplement) together with, if so specified in the applicable Pricing Supplement, accrued interest.

If the provisions of Condition 9(b) apply, the Calculation Agent may (in respect of Equity Linked Notes) (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Additional Disruption Event, made by an options exchange to options on the Underlying Equities traded on that options exchange.

In making any determination in respect of any such adjustment, the Issuer and/or Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Issuer and/or Calculation Agent shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer,

the Calculation Agent, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Noteholders, Receiptholders or Couponholders.

Upon the occurrence (if applicable) of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 23 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

17. Taxation

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

18. Prescription

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 4(b) or any Talon which would be void pursuant to Condition 4(b).

Claims against the Issuer for delivery of any Asset Amount shall be prescribed and become void unless made within one year of the date on which the relevant Asset Amount becomes deliverable.

The **Relevant Date** in respect of any payment means the date on which such payment first becomes due or (if the full amount of the moneys payable has not been duly received by the Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, or the Trustee on or prior to such due date) the date on which, the full amount of such moneys having been so received, notice to that effect is given to the Noteholders in accordance with Condition 23.

19. Events of Default

The Trustee at its discretion may, and, if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes of any Series then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Notes of any Series then outstanding, shall (subject to its being indemnified or secured to its satisfaction), (subject, in the case of the happening of any of the events mentioned in sub-paragraph (ii) below, to the Trustee having certified in writing to the Issuer that the happening of such

event is, in its opinion, materially prejudicial to the interests of holders of the Notes of that Series) give notice to the Issuer that the Notes of that Series are, and they shall accordingly thereby immediately become, due and repayable if any of the following events occurs and is continuing:

- (i) if default is made for a period of seven days or more in the payment of any principal or for a period of 14 days or more in the payment of any interest due in respect of the Notes of that Series or any of them or if default is made for a period of seven days in the delivery of any Asset Amount due in respect of the Notes of that Series or any of them; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Notes of that Series or the Receipts and Coupons (if any) relating thereto or the Trust Deed and (except in the case of a failure to observe a payment or delivery obligation under the terms thereof) such failure continues for a period of 30 days after written notice thereof has been given by the Trustee to the Issuer requiring the same to be remedied; or
- (iii) if an order is made or an effective resolution is passed for the winding up, dissolution or liquidation of the Issuer (except in any such case for the purposes of a merger, reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the holders of the Notes of the relevant Series).

Unless otherwise specified in the applicable Pricing Supplement, Notes which become due and repayable pursuant to this Condition 19 shall be repaid by the Issuer at the relevant Early Redemption Amount (determined in accordance with Condition 5(e)) together with, if so specified in the applicable Pricing Supplement, accrued interest.

At any time after the Notes of any Series or any of them shall have become immediately due and repayable and have not been repaid the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment thereof together with accrued interest and to enforce the provisions of the Trust Deed and these Conditions, but it shall not be bound to institute any such proceedings unless (x) it shall have been so directed by an Extraordinary Resolution of the holders of Notes of such Series or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes of such Series then outstanding and (y) it shall have been indemnified or secured to its satisfaction. No holder of Notes of any Series or the Receipts or Coupons relating thereto shall be entitled to proceed against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

20. Replacement of Notes, Receipts, Coupons and Talons

Should any Note (including any Global Note), Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent or,

as the case may be, the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

21. Agent, Registrar and Paying Agents and Calculation Agent determination

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

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

- (a) there will at all times be an Agent and a Paying Agent, which may be the Agent (other than in respect of Notes cleared through CREST);
- (b) if, and so long as, Bearer Notes are listed on any stock exchange, there will at all times be a Paying Agent, which may be the Agent, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange; and
- (c) there will at all times be a Registrar which, so long as Registered Notes are listed on any stock exchange, will have a specified office in each location required by the rules and regulations of the relevant stock exchange.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 4(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 23.

If for any reason the Calculation Agent defaults in its obligations with respect to determining such Rate(s) of Interest and/or Interest Amounts, the Issuer may forthwith (without requiring the consent of the Trustee or Noteholders) terminate the appointment of, and replace, the Calculation Agent solely for the purposes of such determinations, in which event notice thereof shall be given to the Trustee and the Noteholders in accordance with Condition 23 as soon as practicable thereafter.

In acting under the Agency Agreement, the Agent, the other Paying Agents and the Registrar will act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee, and do not assume any obligations or relationships of agency or trust to or with the Noteholders, Receiptholders and Couponholders, except that (without affecting the obligations of the Issuer to the Noteholders, Receiptholders and Couponholders to repay Notes and pay interest thereon) funds received by the Agent, any other Paying Agent or the

relevant Registrar for the payment of any sums due in respect of the Notes shall be held by them in trust for the Noteholders and/or Receiptholders and/or Couponholders until the expiration of the relevant period of prescription under Condition 18. The Agency Agreement contains provisions for the indemnification of the Paying Agents and the relevant Registrar and for their relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer without being liable to account to the Noteholders, Receiptholders or Couponholders for any resulting profit.

In acting under the Registry Services Agreement, the relevant Registrar will act solely as agent of the Issuer and, in certain circumstances specified therein, of the Trustee, and does not assume any obligations or relationships of agency or trust to or with the Noteholders, except that (without affecting the obligations of the Issuer to Noteholders, to repay Notes and pay interest thereon) funds received by such Registrar for the payment of any sums due in respect of the Notes shall be held by them in trust for the relevant Noteholders.

All discretions exercised and calculations and determinations made in respect of the Notes by the Calculation Agent shall be made in its sole and absolute discretion and in good faith and shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Agent, any other Paying Agent, the relevant Registrar, the Noteholders, the Receiptholders and the Couponholders.

22. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may (subject to Condition 18) be surrendered at the specified office of the Agent or any other Paying Agent outside the United States in exchange for a further Coupon sheet, including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Bearer Note to which it appertains) a further Talon. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

23. Notices

- (a) All notices regarding the Bearer Notes of any Series shall be validly given if published in a leading English language daily newspaper of general circulation in (in the case of all Bearer Notes except those cleared through the CMU Service) London (which is expected to be the *Financial Times*) and in (in the case of Bearer Notes cleared through the CMU Service) Hong Kong (which is expected to be the *South China Morning Post*). 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. Receiptholders and Couponholders will be deemed for all purposes to have notice of

the contents of any notice given to the holders of the Bearer Notes of any Series in accordance with this Condition.

All notices to holders of Registered Notes (other than Registered Notes cleared through CREST or the CMU Service) will be valid if mailed to their registered addresses appearing on the register. All notices to holders of Registered Notes cleared through the CMU Service will be valid if delivered to the CMU Service for communication by them to the persons shown in their respective records as having interests therein. All notices to holders of Registered Notes cleared through CREST will be valid if delivered to the Registrar for communication by them to the relevant Noteholders. Any such notice shall be deemed to have been given on the third day after the day on which it was mailed. In addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange so require, a copy of such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

In the case of Notes which are not cleared through the CMU Service, until such time as any definitive Bearer Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

In the case of Notes which are held in the CMU Service, until such time as any definitive Notes are issued and so long as the Global Note is held in its entirety on behalf of the CMU Service, any notice to the holders of the Notes shall be validly given by the delivery of the relevant notice to the account holder shown in a CMU Instrument Position Report or other relevant notification issued by the CMU Operator on the Business Day preceding the date of dispatch of such notice as holding interests in the Global Note. Any such notice shall be deemed to have been given to the Noteholders on the second Business Day (as defined in Condition 3(c)) after which such notice is delivered to the persons shown in the CMU Instrument Position Report or other relevant notification issued by the CMU Operator. Any notice to the holder of any definitive Note shall be validly given if published in the *South China Morning Post* in Hong Kong or, if that newspaper shall cease to be published or timely publication therein shall not be practicable, in another English language newspaper with general circulation in Hong Kong. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first such publication as provided above.

- (b) Subject to the provisions of Condition 23(c) below, notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent or the Registrar, as the case may be. Whilst any of the Bearer Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.
- (c) Notwithstanding the provisions of Condition 23(b) above, if “Notices to the Issuer” is specified as applying in the applicable Pricing Supplement, notices to be given by any Noteholder to the Issuer regarding the Notes will be validly given if delivered in writing to the Issuer as specified in the applicable Pricing Supplement. Any such notice shall be deemed to have been given on the day when delivered or, if delivered after 5.00 p.m. in the place of location of the Issuer on an Issuer Business Day or if delivered in the place of location of the Issuer on a day which is not an Issuer Business Day, will be deemed effective on the next following Issuer Business Day. In the case of Bearer Notes, the relevant Noteholder must provide satisfactory evidence to the Issuer of its holding of Bearer Notes which, so long as the Bearer Notes are represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, is expected to be in the form of certification from Euroclear and/or Clearstream, Luxembourg, as the case may be.

Issuer Business Day means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Issuer Business Centre specified in the applicable Pricing Supplement.

24. Meetings of Noteholders, Modification, Waiver and Substitution of Principal Debtor

The Trust Deed contains provisions for convening meetings of Noteholders (or the holders of the Notes of any one or more Series) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Conditions of the Notes of any one or more Series or the provisions of the Trust Deed. Such a meeting may be convened by the Trustee, the Issuer or the Trustee upon the request of Noteholders holding not less than ten per cent, in nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being remaining outstanding. The quorum at any such meeting convened to consider a resolution proposed as an Extraordinary Resolution is two more persons holding or representing a clear majority in nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders (or, as the case may be, holders of the Notes of the relevant one or more Series) whatever the nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding so held or represented, except that at any meeting the business of which includes the modification of certain of the Conditions of the Notes (or, as the case may be, the Notes of the relevant

one or more Series) (including postponing the date of maturity of such Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or Asset Amount or the rate of interest payable in respect of such Notes, varying the method of calculating the Asset Amount, the rate of interest or reducing the minimum or maximum rate of interest on the Notes, altering the currency of payment of the Notes and the Receipts and Coupons relating thereto or modifying the majority required to pass an Extraordinary Resolution) or certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding. An Extraordinary Resolution duly passed at any meeting of the Noteholders (or, as the case may be, all the holders of the Notes of the relevant one or more Series) shall be binding on all the Noteholders (or, as the case may be, holders of the Notes of the relevant one or more Series), whether or not they are present at the meeting, and on all holders of Receipts and Coupons relating to the relevant Notes.

- (a) The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders (or, as the case may be, the holders of the Notes, Receipts or Coupons of the relevant one or more Series), to:
 - (i) any modification (subject to certain exceptions as provided in the Trust Deed) of the Conditions of the Notes (or, as the case may be, the Notes of any one or more Series), the Receipts and Coupons relating thereto or of the provisions of the Trust Deed which in its opinion is not materially prejudicial to the interests of the Noteholders (or, as the case may be, the holders of the Notes of the relevant one or more Series); or
 - (ii) any modification of the Conditions of the Notes (or, as the case may be, the Notes of the relevant one or more Series), the Receipts and Coupons relating thereto or the provisions of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.
- (b) In addition, the Trustee shall be obliged to agree to such modifications to the Trust Deed, the Agency Agreement and the Conditions of the Notes as may be required in order to give effect to Condition 3(g) in connection with effecting any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes referred to in Condition 3(g) without the requirement for the consent or sanction of the Noteholders or Couponholders (provided, however, that the Trustee shall not be obliged to agree to any such consequential amendments if the same would, in the sole opinion of the Trustee, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it).

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders (or, as the case may be, the holders of the Notes, Receipts or Coupons of the relevant one or more Series) and, unless the Trustee agrees otherwise and subject to Condition 3(g), any such modification shall be notified to the Noteholders (or, as the case may be, the holders of the Notes of the relevant one or more Series) in accordance with Condition 23 as soon as practicable thereafter.

The Trustee may also waive or authorise any breach or proposed breach of the Conditions of the Notes (or, as the case may be, the Notes of any one or more Series) or the provisions of the Trust Deed in relation to such Notes which, in its opinion, is not materially prejudicial to the interests of the holders of the Notes of the relevant Series.

The Trustee may also agree, subject to the conditions set out in the immediately following sentence and to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, the Receiptholders or the Couponholders of the relevant Series of Notes, to the substitution of the Holding Company or of a subsidiary of the Issuer in place of the Issuer as principal debtor under the Notes, the Receipts and the Coupons of any Series and under the Trust Deed in relation to such Notes, Receipts and Coupons. Such agreement shall only be granted if, *inter alia*, (i) the obligations of such substituted principal debtor thereunder are guaranteed by the Issuer on a basis acceptable to the Trustee and (ii) the Trustee is satisfied that such substitution is not materially prejudicial to the interests of the Noteholders, the Receiptholders and the Couponholders of such Series. The Trustee may further agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, the Receiptholders and the Couponholders of the relevant Series of Notes, to the substitution, in place of the Issuer as principal debtor under the Notes, the Receipts and the Coupons of any Series and under the Trust Deed in relation to such Notes, Receipts and Coupons, of a Successor in Business (as defined in the Trust Deed).

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the general interests of the Noteholders (or the Noteholders of the relevant one or more Series, as the case may be) as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders.

25. Further Issues

The Issuer shall be at liberty from time to time without the consent of the relevant Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as (or the same in all respects save for the Issue Date, Interest Commencement Date and Issue Price), and so that the same shall be consolidated and form a single Series with, the outstanding Notes of a particular Series. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of each Series in certain circumstances where the Trustee so decides.

26. Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and/or any of its subsidiaries without accounting for any profit resulting therefrom and to act as Trustee for the holders of any other securities issued by the Issuer.

27. Contracts (Rights of Third Parties) Act 1999

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

28. Governing Law and Submission to Jurisdiction

The Trust Deed, the Agency Agreement, the Registry Services Agreement, the Notes, the Receipts and the Coupons, and any non-contractual obligations arising out of or in connection with them, are governed by English law. The Issuer has submitted to the jurisdiction of the English courts in the Trust Deed and has appointed the Issuer's London office at the date hereof situated at 250 Bishopsgate, London EC2M 4AA as its agent for service of process in England.

SCHEDULE

Exchange Traded Funds

- 1 For the avoidance of doubt, references in the Conditions to “Underlying Equities” includes shares or units in exchange traded funds (and related expressions shall be construed accordingly).
- 2 If “Exchange Traded Fund” is specified to apply in the applicable Pricing Supplement, the following provisions shall apply in addition to, and without prejudice to, the provisions of Condition 8 (*Equity Linked Notes*) (except for the provisions relating to “Equity Substitution”, which shall not apply). In the case of inconsistency between the provisions of this Schedule and the provisions of Condition 8, the provisions of this Schedule shall prevail:

If the Calculation Agent determines in respect of any day on which the price of any Exchange Traded Fund Shares is to be determined (each an Exchange **Traded Fund Valuation Date**) that a Trigger Event, Potential Trigger Event or Insolvency in respect of the Exchange Traded Fund, the Exchange Traded Management Company or any Exchange Traded Fund Service Provider, or any Merger Event in respect of the Exchange Traded Fund or the Exchange Traded Management Company has occurred or is occurring, then the Calculation Agent shall determine the price of the relevant Exchange Traded Fund Shares on such Exchange Traded Fund Valuation Date, at such time and in such manner, as it considers commercially reasonable in its sole and absolute discretion, acting in good faith.

Following the determination by the Calculation Agent of the occurrence of any Trigger Event, Potential Trigger Event or Insolvency in respect of the Exchange Traded Fund, the Exchange Traded Management Company or any Exchange Traded Fund Service Provider, or any Merger Event in respect of the Exchange Traded Fund or the Exchange Traded Management Company, (and regardless of whether or not such event is then continuing) the Calculation Agent may (but shall not be obliged to) in its discretion take any of following actions (each, a **Permitted Action**):

- (a) (X) make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and relating to the relevant Notes as the Calculation Agent determines appropriate to account for the economic effect on the relevant Notes of such Trigger Event, Potential Trigger Event, Insolvency or Merger Event and (Y) determine the effective date of the relevant adjustments; or
- (b) if specified as applicable in the applicable Pricing Supplement, select a replacement exchange traded fund (the **Replacement Exchange Traded Fund**), which in its reasonable opinion has a similar risk profile as the Exchange Traded Fund as determined by the Calculation Agent to replace such Exchange Traded Fund and the appropriate date (the **Substitution**

Date) for the replacement of the Exchange Traded Fund by the Replacement Exchange Traded Fund;

Following any such selection (i) the Replacement Exchange Traded Fund shall replace the Exchange Traded Fund on the Substitution Date and (ii) the Calculation Agent shall, in good faith, make such adjustment as it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions in relation to the relevant Notes to reflect such substitution;

- (c) redeem all, but not some only, of the Notes, each Specified Amount being redeemed at the Early Redemption Amount determined in accordance with the applicable Pricing Supplement together with, if so specified in the applicable Pricing Supplement, accrued interest; or
- (d) if “Suspension Asset” is specified as applicable in the applicable Pricing Supplement, make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions as are necessary to reflect a notional liquidation of all of the Exchange Traded Fund Shares (with the timing of such notional liquidations being the same timing as would be the case on an actual liquidation of Exchange Traded Fund Shares at the relevant time) and a notional investment of the liquidation proceeds in either (i) a zero coupon bond, or equivalent, such that the amount payable at redemption of such zero coupon bond is at least an amount per Note equal to the Issue Price of the Note, (ii) commercial paper rated at least A1/P1 or above by Moody’s Investors Service, Inc. (any transaction costs that would be incurred in respect of an actual such investment may be deducted from the value of the Note) or (iii) an interest bearing deposit bearing interest at prevailing rates that would be offered by the Calculation Agent in respect of such a deposit (each a **Suspension Asset**) as determined by the Calculation Agent in its discretion.

Notwithstanding that the Calculation Agent may have previously determined not to take a Permitted Action or only took one Permitted Action, it shall not be prevented from subsequently or concurrently deciding to adopt an additional or different Permitted Action in respect of the same Trigger Event, Potential Trigger Event, Insolvency or Merger Event. In such respect, the Issuer may make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions of the relevant Notes as the Calculation Agent determines appropriate to account for the fact that the Permitted Action selected has been altered.

Notwithstanding anything contained in this Schedule, the Calculation Agent is under no obligation to determine that a Trigger Event, Potential Trigger Event, Insolvency or Merger Event has occurred or take any or all of the Permitted Actions.

Upon the Calculation Agent making a determination pursuant to (i) above, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 23 giving details of such determination.

For the purposes of Schedule:

"Effective Date" means the date on which any Hedge Position becomes effective.

"Exchange Traded Fund" means, subject to adjustment or substitution (if applicable) in accordance with this Schedule, the issuer in respect of any share specified in the applicable Pricing Supplement where such issuer is identified in the applicable Pricing Supplement to be an "Exchange Traded Fund" (being the relevant "Underlying Issuer" specified in the applicable Pricing Supplement in respect of any such share) and related expressions shall be construed accordingly.

"Exchange Traded Fund Business Day" means any day that is not a Saturday or a Sunday on which banks are open for general business in the jurisdiction(s) specified in the applicable Pricing Supplement.

"Exchange Traded Fund Documents" means the constitutive and governing documents of the relevant Exchange Traded Fund, including, but not limited to any prospectus, programme document, offering memorandum, listing particulars or other document which contains, among other things, the investment objectives, portfolio guidelines or strategy of the Exchange Traded Fund and the subscription agreements and other agreements relating to Exchange Traded Fund Shares.

"Exchange Traded Fund Service Provider" means any third party service provider appointed to provide services, directly or indirectly, to the Exchange Traded Fund, whether or not specified in any Exchange Traded Fund Documents, including but not limited to any adviser, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent.

"Exchange Traded Fund Shares" means the shares issued by an issuer which is identified in the applicable Pricing Supplement to be an "Exchange Traded Fund".

"Hedge Position" means any purchase, sale, entry into or maintenance of, one or more (i) positions or contracts in Exchange Traded Fund Shares, securities, options, futures, derivatives or foreign exchange, (ii) securities lending transactions or (iii) other instruments or arrangements (however described) by the Issuer, the Calculation Agent or any Hedge Provider in order to hedge the Issuer's risk of entering into and performing its obligations with respect to Notes.

"Hedge Provider" means any Affiliate(s) and/or any other party(ies) and/or any special purpose vehicle(s) holding or entering into a Hedge Position in connection with the Issuer's hedging arrangements in respect of Notes.

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Relevant Party, (A) all the shares, units or other equity interests of that Relevant Party, respectively, are required to be transferred to a trustee, liquidator or other similar official or (B) holders of all or some of the shares, units or other equity interests of that Relevant Party, respectively, become legally prohibited from transferring them.

"Exchange Traded Fund Management Company" means, in respect of an Exchange Traded Fund, the investment manager of the Exchange Traded Fund or, in respect of any publication of the net asset value of the Exchange Traded Fund, the service provider responsible for publishing such net asset value.

"Merger Event" means, in respect of any relevant shares, units or interests issued by a Relevant Party, any (i) reclassification or change of such shares, units or interests that results in a transfer of or an irrevocable commitment to transfer all of such shares, units or interests outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of such Relevant Party with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Relevant Party is the continuing entity and which does not result in a reclassification or change of all of such shares, units or interests outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding shares, units or interests of such Relevant Party that results in a transfer of or an irrevocable commitment to transfer all such shares, units or interests (other than such shares, units or interests owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Exchange Traded Fund or Exchange Traded Fund Management Company, as applicable, or its subsidiaries with or into another entity in which the Exchange Traded Fund or Exchange Traded Management Company, as applicable, is the continuing entity and which does not result in a reclassification or change of all such shares, units or interests outstanding but results in the outstanding shares, units or interests (other than shares, units or interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding shares, units or interests immediately following such event.

"Portfolio Guidelines" means the investment guidelines, objectives and restrictions of the Exchange Traded Fund as set out in the relevant Exchange Traded Fund Documents.

"Potential Trigger Event" means any event or circumstance which would or may (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing), in the determination of the Calculation Agent, constitute or cause a Trigger Event or where the Calculation

Agent reasonably believes in good faith that a Trigger Event may have occurred but does not at that time have evidence thereof.

"Relevant Party" means the Exchange Traded Fund, its Exchange Traded Fund Management Company or any prime broker, custodian or other service provider to the Exchange Traded Fund.

"Trigger Event" means each of the following events, as determined by the Calculation Agent and/or the Issuer (as the case may be) (in the sole and absolute discretion of the Issuer or the Calculation Agent (as applicable)):

(a) **Global Events:**

- (i) The strategy/investment objective of the Exchange Traded Fund has changed so that it is substantially different from that applicable at the Effective Date or, if applicable, the Substitution Date (as the case may be), or any material change in the underlying nature, strategy or risk of the Exchange Traded Fund's portfolio, over and above that expected with respect to the trading strategies employed.
- (ii) The Calculation Agent is not satisfied that the Exchange Traded Fund is being managed in accordance with its rules or in accordance with the description of the Exchange Traded Fund's strategy/investment/portfolio objectives contained in the relevant Exchange Traded Fund Documents, and the Exchange Traded Fund Management Company, any Exchange Traded Fund Service Provider or director of the Exchange Traded Fund has failed to take any action satisfactory to the Calculation Agent within five Business Days from the date on which such change occurred with a view towards correcting such change.
- (iii) The currency of denomination of the Exchange Traded Fund is amended so that the net asset value of the Exchange Traded Fund is no longer calculated in the same currency as at the Effective Date or, if applicable, Substitution Date, as the case may be.
- (iv) The activities of the Exchange Traded Fund or the Exchange Traded Fund Management Company, or any Exchange Traded Fund Service Provider and/or any of their respective directors, officers, employees or agents are placed under review or investigation by any administrative or regulatory authority or court of competent jurisdiction and/or are subject to any charges or actions by any administrative or regulatory authority for reasons of wrongdoing, suspected wrongdoing, alleged engagement in fraudulent activities, breach of any rule or regulation or other similar reason and/or the Exchange Traded Fund or the Exchange Traded Fund Management Company, or any Exchange Traded Fund Service Provider and/or any of their respective directors, officers, employees or agents have any of their

respective registrations, authorisations, licences or memberships with any administrative or regulatory authorities revoked, suspended, terminated, limited or qualified.

- (v) Written notification by the Exchange Traded Fund Management Company to holders of Exchange Traded Fund Shares, or to the administrator of the Exchange Traded Fund, that it believes it is not advisable to continue operation of the Exchange Traded Fund because it is not economically prudent to do so or the strategy/investment/portfolio objectives of the Exchange Traded Fund cannot be met in the foreseeable future, or for similar reasons or the Exchange Traded Fund ceasing to trade or a petition is made for the winding-up, dissolution or liquidation of the Exchange Traded Fund.
- (vi) The Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider becomes party to any litigation or dispute which the Calculation Agent considers material.
- (vii) Any security granted by the Exchange Traded Fund, the Exchange Traded Management Company or any Exchange Traded Fund Service Provider over any of their assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Exchange Traded Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider.
- (viii) The Calculation Agent determines that the operation or organisation of the Exchange Traded Fund or the Exchange Traded Management Company (including, without limitation, its organisational structure and its procedures, processes or policies in respect of investment selection, due diligence, asset allocation, risk management or investment monitoring) has changed from that at the Effective Date or, if applicable, the Substitution Date, as the case may be, or that any such procedures, processes or policies are either not being applied or are not being applied consistently with their application on the Effective Date or, if applicable, the Substitution Date, as the case may be.
- (ix) Any event or change affecting any of the structure, ownership, management, reputation or solvency of the Exchange Traded Fund and/or any units in the capital of the Exchange Traded Fund and/or the Exchange Traded Fund Management Company and/or any Exchange Traded Fund

Service Provider that the Calculation Agent does not pre-approve in writing and which is likely to have a significant impact on the price of the Exchange Traded Fund Shares immediately or thereafter which the Calculation Agent determines is material.

- (x) The Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider has experienced or is experiencing a material adverse change, as determined by the Calculation Agent, in its business, assets, operations or financial condition.
- (xi) Any material amendments, changes, modifications or variations made to any of the material terms and conditions or contents of any Exchange Traded Fund Documents or investment guidelines of the Exchange Traded Fund (including a material change in the liquidity of the Exchange Traded Fund) that has not been previously agreed with the Issuer and which could be detrimental to the Issuer.
- (xii) Any event occurs which, in the opinion of the Calculation Agent, causes or will, with the passage of time, cause the failure of the Exchange Traded Fund Management Company and/or the Exchange Traded Fund and/or any Exchange Traded Fund Service Provider to meet or maintain any material obligation or undertaking under the Exchange Traded Fund's statutory and operating documents.
- (xiii) There is a reduction in the number of Exchange Traded Fund Shares, or there is a reduction in the number of Exchange Traded Fund Shares held for the account of any investor in the Exchange Traded Fund Shares for reasons beyond the control of that investor which the Calculation Agent considers material.
- (xiv) The Calculation Agent determines that the Issuer, its Affiliates or any Hedge Provider is or may in the future be unable, or that it may be difficult or impractical for any such entity to perform any obligation imposed on any such entity by the law or regulation of any relevant jurisdiction, including, without limitation, any regulatory reporting obligation, any relevant regulatory or administrative body or court of competent jurisdiction by reason of its investment in Exchange Traded Fund Shares.
- (xv) Any circumstances affecting the availability of Exchange Traded Fund Shares to any actual holder of Exchange Traded Fund Shares as a result of which the Calculation Agent determines that if the Issuer, any of its Affiliates or any Hedge Provider were such holder, it would be unable to hedge its position with respect to the Notes on terms comparable to those applicable on the Effective Date.

- (xvi) A cross-contamination or other failure effectively to segregate the portfolio of assets occurs between different series, classes and/or sub-funds in relation to the Exchange Traded Fund (if the Exchange Traded Fund is part of an umbrella structure with more than one sub-fund).
- (xvii) Significant market, trading or exchange disruption and/or crisis in the major financial markets.
- (b) **Exchange Traded Fund Net Asset Value and Reporting:**
 - (i) The Exchange Traded Fund Management Company (a) fails to calculate the net asset value of the Exchange Traded Fund for three consecutive days on which it was scheduled, in accordance with the rules of the Exchange Traded Fund or the description contained in the relevant Exchange Traded Fund Documents or (b) makes any change to the methodology used for calculating either the net asset value of the Exchange Traded Fund or any estimate of the net asset value of the Exchange Traded Fund or (c) fails to calculate and publish the net asset value of the Exchange Traded Fund with the frequency set out in the relevant Exchange Traded Fund Documents or (d) fails to calculate and deliver any estimate of the Exchange Traded Fund's net asset value to the Issuer or an Affiliate of the Issuer or a Hedge Provider in accordance with such timing as it has previously provided such information.
 - (ii) The Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider amends the time delay between calculation of the net asset value (or any estimated net asset value) of the Exchange Traded Fund and the publication of such net asset value (or estimated net asset value) so that it is no longer the same as set out in the relevant Exchange Traded Fund Documents, or the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider fails to publish any other information relating to the Exchange Traded Fund to be published in accordance with its rules or the relevant Exchange Traded Fund Documents or fails to publish such information in accordance with the timetable therefor set out in its rules or in the relevant Exchange Traded Fund Documents.
 - (iii) The audited net asset value of the Exchange Traded Fund is in the determination of the Calculation Agent materially different from the related net asset value previously published by the Exchange Traded Fund, or the auditors of the Exchange Traded Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Exchange Traded Fund or any net asset value published by the Exchange Traded Fund, or the Calculation Agent considers that the net asset value of the Exchange Traded Fund or of any sub-fund held by the Exchange Traded Fund, in respect of any

calculation date, does not reflect the net asset value of such fund as it would have been determined by the independent auditors of that fund using generally accepted accounting standards in the appropriate jurisdiction, unless the Calculation Agent receives the net asset value information in satisfactory form within ten Exchange Traded Fund Business Days of the date it was originally due.

- (iv) The decline in assets under management of the Exchange Traded Fund since the Effective Date or, if applicable, the Substitution Date, as the case may be, is greater than 50 per cent., as determined by the Calculation Agent.
- (v) The Calculation Agent has not received from the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider or director of the Exchange Traded Fund, any reports, including but not limited to, risk reporting and/or financial reporting and/or audit reporting, required by the Calculation Agent in connection with the relevant Notes within any agreed time scale or has received, in the opinion of the Calculation Agent, erroneous reporting, unless cured within such period as may be agreed from time to time between the Calculation Agent and the Exchange Traded Fund or the Exchange Traded Fund Management Company, or any director of the Exchange Traded Fund or Exchange Traded Fund Service Provider.

(c) **Exchange Traded Fund Shares:**

Any of the following events relating to the Exchange Traded Fund Shares:

- (i) a subdivision, reclassification or distribution of Exchange Traded Fund Shares which has a diluting or concentrative effect on the theoretical value of the Exchange Traded Fund Shares;
- (ii) a (A) dividend (including cash and whether ordinary or extraordinary), (B) distribution or (C) issue of Exchange Traded Fund Shares, capital, securities, rights or other assets or interests to existing holders of Exchange Traded Fund Shares which has or, in the opinion of the Calculation Agent, is likely to have an effect on the value of the Exchange Traded Fund Shares;
- (iii) a call by the Exchange Traded Fund in respect of Exchange Traded Fund Shares that are not fully paid; or
- (iv) any suspension or limitation on the trading of the relevant currencies in which the Exchange Traded Fund Shares are denominated.

(d) **Trading:**

- (i) The Issuer, its Affiliates or any Hedge Provider would be required to pay or would otherwise incur (a) a subscription fee in respect of a purchase of

Exchange Traded Fund Shares or (b) a redemption fee in respect of a sale of Exchange Traded Fund Shares (as the case may be) of the Exchange Traded Fund in relation to their hedging activities in respect of the relevant Notes.

- (ii) Any material suspension of or limitation imposed on trading of the Exchange Traded Fund or on trading in the Exchange Traded Fund Shares or any relevant currencies in which the Exchange Traded Fund Shares are denominated (for any reason, including, without limitation, by reason of liquidity restrictions) or any dealing request made by any investor or prospective investor in the Exchange Traded Fund Shares is deferred in whole or in part or is made at a value other than the relevant price.
- (iii) The failure of trading to commence, or the permanent discontinuation of trading of the Exchange Traded Fund or in the Exchange Traded Fund Shares.
- (iv) The Issuer, its Affiliates or any Hedge Provider would be obliged (whether by the Exchange Traded Fund Management Company or otherwise) to redeem all or some of the Exchange Traded Fund Shares that it is holding in relation to its hedging activities in respect of the relevant Notes.
- (v) If, in the determination of the Calculation Agent, the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or funding spread to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to the Exchange Traded Fund Shares of entering into and performing its obligations with respect to the relevant Notes or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).
- (vi) The Exchange Traded Fund or the Exchange Traded Fund Management Company amends the timing for subscription or redemption of Exchange Traded Fund Shares, including, without limitation, the timetable for payment of redemption proceeds upon redemption.
- (vii) The Calculation Agent determines that if the Issuer or any of its Affiliates were to redeem Exchange Traded Fund Shares, such person would not (i) receive full proceeds of such redemption in cash in accordance with the redemption proceeds timing set out in the relevant Exchange Traded Fund Documents or (ii) receive any in-kind distribution in full or part satisfaction of the redemption proceeds paid or payable to it.
- (viii) The occurrence of any of the following: (i) a devaluation generally of, or decrease in liquidity in respect of, investments in any market in which the Exchange Traded Fund is invested; (ii) a lack of availability of interbank funding to the Issuer, any of the Issuer's Affiliates or any Hedge Provider at a

commercially reasonable rate for the purposes of acquiring or maintaining a position in the Exchange Traded Fund Shares; or (iii) any other market restrictions or events that have an adverse effect on the value of the Exchange Traded Fund Shares, or on the ability of the Issuer, any of the Issuer's Affiliates or any Hedge Provider to hedge its exposure in connection with the relevant Notes, as determined by the Calculation Agent in its discretion.

- (ix) Any agreement, whether by way of side letter or otherwise, in respect of any hedging arrangement entered into between the Issuer and the Exchange Traded Fund, or the Exchange Traded Fund Management Company, any Exchange Traded Fund Service Provider or the directors of the Exchange Traded Fund, which the Calculation Agent is advised, to its reasonable satisfaction, to be unenforceable.
- (e) **Exchange Traded Fund Management Company and Exchange Traded Fund Service Provider Failures:**
 - (i) The Exchange Traded Fund Management Company indicates or acknowledges that in its opinion the strategy/investment/portfolio objectives of the Exchange Traded Fund will not be, or are no longer able to be, met or the Exchange Traded Fund Management Company proposes or recommends the liquidation, dissolution or discontinuance of the Exchange Traded Fund.
 - (ii) Failure by the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider to (a) submit redemption notices, enter into subscription agreements, or take other action, in each case, within five Exchange Traded Fund Business Days from the date on which a breach of the Portfolio Guidelines occurred, with a view towards curing such breach or (b) actually cure any breach of the parameters of the Portfolio Guidelines on the date on which the relevant breach of the Portfolio Guidelines occurred.
 - (iii) The Calculation Agent is unable, or it is impracticable for the Calculation Agent, to promptly obtain any information in relation to the business, assets, operations or financial condition of the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider which the Calculation Agent deems necessary for any determinations, including, but not be limited to, determinations in respect of the breach of any parameter of the Portfolio Guidelines and the occurrence of any Trigger Event or in the execution of its duties and obligations under the relevant Notes.
 - (iv) Other than in connection with a market disruption, a failure by the Exchange Traded Fund, the Exchange Traded Fund Management Company or any

Exchange Traded Fund Service Provider to submit redemption notices to the entities in which the Fund invests as and when required to begin the redemption process.

- (v) Failure by the Exchange Traded Fund Management Company to take action satisfactory to the Calculation Agent and within a prompt timescale satisfactory to the Calculation Agent so as to have cured within such time period as may be agreed to from time to time between the Calculation Agent and the Exchange Traded Fund or the Exchange Traded Fund Management Company any breach of any representations, covenants and agreements under the investment management agreement relating to the Exchange Traded Fund.
- (vi) Resignation by the Exchange Traded Fund Management Company as investment manager of the Exchange Traded Fund or any Exchange Traded Fund Service Provider, or termination or other change of the Exchange Traded Fund Management Company as investment manager or other Exchange Traded Fund Service Provider or any change in the personnel of the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider, which the Calculation Agent considers material.
- (vii) The Exchange Traded Fund Management Company increases its management fee or incentive fee charged to the Exchange Traded Fund in an amount that the Calculation Agent determines is material.
- (viii) The Exchange Traded Fund Management Company, the Exchange Traded Fund or any Exchange Traded Fund Service Provider or director of the Exchange Traded Fund fails to provide the Calculation Agent with adequate information as may be required to determine the occurrence of a Trigger Event.
- (ix) Failure by the Exchange Traded Fund and/or the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider or director of the Exchange Traded Fund to notify or disclose to the Issuer, on the Effective Date, any information, event or circumstance that was in existence on such date and which the Calculation Agent determines is material.
- (x) The Exchange Traded Fund Management Company ceases to exist or trade or a petition is made for the winding-up, dissolution or liquidation of the Exchange Traded Fund Management Company.
- (f) **Exchange Traded Fund Service Provider Failures:**

Any Exchange Traded Fund Service Provider or the Exchange Traded Fund Management Company resigns or their relationship with the Exchange Traded Fund or the Exchange Traded Fund Management Company, as applicable, is otherwise

terminated and the Calculation Agent considers that such resignation or termination (as the case may be) is material, or such party is bankrupt, insolvent, wound-up, liquidated, dissolved, ceases to exist or otherwise ceases to continue to perform its duties.

(g) **Regulatory Constraints:**

- (i) There is any change in the regulatory or tax treatment applicable with respect to the Exchange Traded Fund, the Exchange Traded Fund Management Company or Exchange Traded Fund Service Provider which, in the determination of the Calculation Agent, could have an economic impact for the Issuer, its Affiliates or any Hedge Provider as a holder of an interest in the Exchange Traded Fund, as the case may be, or could materially adversely affect the carrying out of the strategy/investment objective of the Exchange Traded Fund or could result in the Exchange Traded Fund, the Exchange Traded Fund Management Company or any Exchange Traded Fund Service Provider incurring additional costs which, in the determination of the Calculation Agent, would be material.
- (ii) The Issuer deems it necessary or appropriate, in order for it or any of its Affiliates or any Hedge Provider to comply with or remain within any applicable legal and/or regulatory limits on the amounts of Exchange Traded Fund Shares that it or they may hold, to redeem all or some of the Exchange Traded Fund Shares.
- (iii) The Calculation Agent determines that the Issuer, its Affiliates or any Hedge Provider is or may in the future be unable, or that it may be difficult or impractical for any such entity to perform any obligation imposed on it by the law or regulation of any relevant jurisdiction, including, without limitation, any regulatory or accounting reporting obligation, any relevant regulatory or administrative body or court of competent jurisdiction by reason of its investment in Exchange Traded Fund Shares.

(h) **Hedge Provider:**

- (i) A material decline in the creditworthiness of a party with whom the Issuer has entered into any relevant hedging transaction (a **Relevant Hedging Transaction**) in respect of the Issuer's obligations in connection with the Notes.
- (ii) The general unavailability of:
 - (a) market participants who will agree to enter into a Relevant Hedging Transaction; or
 - (b) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

(i) **General:**

Any other event which, in the discretion of the Calculation Agent, has an analogous effect to any of the events specified in this Schedule.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer to fund its general banking business. If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

Current Account Items

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012.

Since July 2013, the procedures for cross-border Renminbi trade settlement under current account items have been simplified and trades through e-commerce can also be settled under in Renminbi under the current regulatory regime. A cash pooling arrangement for qualified multinational enterprise group companies was introduced in late 2014, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. In addition, the eligibility requirements for multinational enterprise groups have been lowered and the cap for net cash inflow has been increased in September 2015.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement of capital account items, for example, the capital contribution of foreign investors to foreign invested enterprises in the PRC, were generally required to be made in foreign currencies. Under progressive reforms, foreign enterprises are now permitted to use Renminbi to settle all capital account items that can be settled in foreign currencies. Cross-border Renminbi payment infrastructure and trading facilities are being improved. Approval, registration and filing requirements specifically for capital account payments in Renminbi are being removed gradually.

PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders (which are referred to as **foreign debt**) and lend Renminbi-denominated loans to foreign borrowers (which are referred to as **outbound loans**), as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in Renminbi and make Renminbi payments thereunder to parties in the PRC as well as other jurisdictions (which is referred to as **cross-border**

security). Under current rules promulgated by the State Administration of Foreign Exchange of the PRC (**SAFE**) and PBOC, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. After piloting in the free trade zones, PBOC and SAFE launched a nation-wide system of macro-prudential management on cross-border financing in 2016, which provides for a unified regime for financings denominated in both foreign currencies and Renminbi.

Since September 2015, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group.

The securities markets, specifically the Renminbi Qualified Foreign Institutional Investor (**RQFII**) regime and the China Interbank Bond Market (**CIBM**), have been further liberalised for foreign investors. PBOC has relaxed the quota control for RQFII, and has also expanded the list of eligible foreign investors in CIBM, removed quota restriction, and granted more flexibility for the settlement agents to provide the relevant institutions with more trading facilities (for example, in relation to derivatives for hedging foreign exchange risk).

Interbank foreign exchange market is also opening-up. In January 2016, CFETS set forth qualifications, application materials and procedure for foreign participating banks (which needs to have a relatively large scale of Renminbi purchase and sale business and international influence) to access the inter-bank foreign exchange market.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC Government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. 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 Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

DESCRIPTION OF THE ISSUER

NatWest Markets is a public limited company incorporated in Scotland with registration number SC090312 and was incorporated under Scots law on 31 October 1984. NatWest Markets is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc (**RBSG**, together with its subsidiary and associated undertakings, the **RBS Group**), a banking and financial services group. NatWest Markets provides corporate and institutional customers with financing and risk management solutions, with a focus on rates, currencies and financing products.

Ring-Fencing

In 2018 the RBS Group undertook a reorganisation of its group legal entity structure and business model in order to comply with legislation passed by the UK Government requiring that banks separate their retail banking activities from their investment banking activities. Following the reorganisation, the RBS Group has been split into ring-fenced entities, which among other things carry out retail banking activities, and non-ring-fenced entities, which solely carry out non-retail banking activities. Following the reorganisation, NatWest Markets and its subsidiaries consolidated in accordance with International Financial Reporting Standards (together, the **NWM Group**) is composed exclusively of non-ring-fenced entities. Consequently, activities that the legislation prohibits from being performed by a non-ring-fenced entity are no longer carried out by entities that are members of the NWM Group. NatWest Markets N.V., the RBS Group's banking entity in the Netherlands, is expected to become a subsidiary of the Issuer in 2019, subject to regulatory approval. Further information regarding the RBS Group's ring-fencing structure and the impact relating to NatWest Markets can be found in the 2018 Annual Report and Accounts of NatWest Markets (as referred to in, and incorporated by reference into, this Programme Document), including at page 2 of the 2018 Annual Report and Accounts of NatWest Markets (under the heading "*UK ring-fencing*").

Legal Proceedings

For a description of the material governmental, legal or arbitration proceedings that NatWest Markets and the NWM Group face, see (i) the section entitled "*Litigation, investigations and reviews*" in the "Notes" at pages 112 to 115 of the 2018 Annual Report and Accounts of NatWest Markets (as referred to in, and incorporated by reference into, this Programme Document).

Directors and Corporate Governance

The directors and the secretary of NatWest Markets, each of whose business address is NatWest Markets Plc, 250 Bishopsgate, London EC2M 4AA, United Kingdom, their functions within the NWM Group and their principal activities outside the NWM Group (if any) of significance to the NWM Group are as follows:

Name	Functions within the NWM Group	Principal outside activity (if any) of significance to the NWM Group
Chairman		
Frank Dangeard	—	Currently serves as a non-executive director of RBSG, Symantec Corporation and Arqiva Group Limited. Previously served as a non-executive director of Crédit Agricole CIB, EDF, Home Credit, Sonaecom SGPS, and as Deputy Chairman of Telenor ASA. Held various senior roles at Thomson S.A., including Chairman and Chief Executive Officer, and was Deputy Chief Executive Officer of France Telecom. Prior to that he was Chairman of SG Warburg France, having been a Managing Director of SG Warburg in London and Madrid.
Executive Directors		
Chris Marks	Chief Executive Officer	Previously a managing director at Barclays Capital, having formerly held positions at Kensington Group, Greenwich NatWest and Coopers & Lybrand.
Richard Place	Chief Financial Officer	Over 30 years' experience in the financial services industry, having qualified as a Chartered Accountant with Price Waterhouse in London and San Francisco before joining Bankers Trust, where he worked in London, New York, Tokyo and Hong Kong as CFO APAC. Formerly held positions at Deutsche Bank, Lehman Brothers and Barclays Capital.
Non-Executive Directors		
Vivek Ahuja	—	Currently Group CFO & Partner at Terra Firma Capital Partners Limited, with over 20 years' experience in CFO leadership roles. Formerly Deputy Group CFO, Group CFO (Wholesale Banking) and Regional CFO (Middle East

Name	Functions within the NWM Group	Principal outside activity (if any) of significance to the NWM Group
		<p>& South Asia) at Standard Chartered Bank and held a variety of positions spanning finance, strategy, and corporate & institutional banking with other top-tier global financial institutions. A Fellow of the Institute of Chartered Accountants in England & Wales and has also been a member of Council and the Financial Services Faculty Board.</p>
Brendan Nelson	—	<p>Currently a member of the Financial Reporting Review Panel and a non-executive director and chairman of the audit committee of RBSG and BP plc. Due to step down as a non-executive director of RBSG and chairman of the audit committee of RBSG on 31 March 2019. Former President of the Institute of Chartered Accountants of Scotland. Formerly held various positions within KPMG, including global chairman, financial services.</p>
Sarah Wilkinson	—	<p>Currently the Chief Executive Officer of NHS Digital (UK Government), since August 2017, having previously been the Chief Digital, Data and Technology Officer at the UK Home Office. Formerly held a number of senior leadership roles in Technology, IT Strategic Transformation and Risk Management at top-tier global financial institutions. Sits on the Audit, Risk and Compliance Committee of Kings College London, is a member of the Imperial College Department of Computing Advisory Board and the Oxford University Department of Mathematics Advisory Board.</p>

Chief Governance and

Name	Functions within the NWM Group	Principal outside activity (if any) of significance to the NWM Group
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Regulatory Officer

Scott Gibson	Company Secretary	—
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NatWest Markets has procedures in place to ensure that the board's management of conflicts of interest and its powers for authorising certain conflicts are operating effectively. On appointment, each director is provided with NatWest Markets' guidelines for referring conflicts of interest to the board of directors. Each director is required to notify the board of any actual or potential situational or transactional conflicts of interest and to update the board with any changes to the facts and circumstances surrounding such conflicts.

Situational conflicts can be authorised by the board of directors in accordance with the Companies Act 2006 and NatWest Markets' articles of association. The board of directors considers each request for authorisation on a case by case basis and has the power to impose conditions or limitations on any authorisation granted as part of the process.

Except as set out above, no potential conflicts of interest exist between any duties to NatWest Markets of the Directors listed above and their private interests and/or other duties.

TAXATION

United Kingdom

The comments below are of a general nature and relate to certain United Kingdom tax implications for persons who are the absolute beneficial owners of their Notes and Coupons and may not apply to certain classes of person (such as dealers and persons connected with the Issuer). The comments relate only to withholding tax on payments of interest in respect of the Notes and do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. They are not intended to be exhaustive or to constitute tax advice. The comments address the position under current United Kingdom tax law and published practice of HM Revenue and Customs (which may not be binding on HM Revenue and Customs). The United Kingdom tax treatment of prospective holders of Notes depends on their individual circumstances and may be subject to change in the future. In addition, prospective holders of Notes should be aware that the particular terms of issue of any series of Notes as specified in the applicable Pricing Supplement may affect the tax treatment of that and other series of Notes. Prospective holders of the Notes who may be subject to tax in a jurisdiction other than the United Kingdom or who are in any doubt as to their tax position should seek their own professional advice.

1. *United Kingdom withholding tax on payments of interest on the Notes*

Provided the Issuer is and continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the **Act**), and provided that the interest on the Notes is paid in the ordinary course of its business within the meaning of section 878 of the Act, the Issuer should be entitled to make payments of interest on the Notes without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Notes may also be made without withholding or deduction for or on account of United Kingdom income tax provided that the relevant Notes carry a right to interest and are and continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the Act. Euronext Dublin is a recognised stock exchange for these purposes. Notes will be treated as listed on Euronext Dublin if they are both admitted to trading on the Global Exchange Market of Euronext Dublin and are officially listed in Ireland. Provided, therefore, that the Notes carry a right to interest and are and remain so listed, interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom income tax whether or not the Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax where the maturity of the Notes is less than 365 days from the date of issue and the Notes are not issued with the intention to, or under arrangements the effect of which is to, render such Notes part of a borrowing with a total term of one year or more.

In other cases, subject to the availability of any other exemption or relief, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HM Revenue & Customs can issue a notice to the Issuer to pay interest to such Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty, as applicable).

2. United Kingdom withholding tax on discounts and premiums

If Notes are issued at a discount to their principal amount, any such discount element is not generally subject to any United Kingdom withholding tax. If Notes are redeemed at a premium to their principal amount (as opposed to being issued at a discount) then, depending on the circumstances, such premium may constitute a payment of interest for United Kingdom tax purposes and hence be subject to United Kingdom withholding tax rules.

3. General

The references to “**interest**” and “**discount**” in 1 and 2 above mean “interest” and “discount” as understood in United Kingdom tax law. The statements in 1 and 2 do not take any account of any different definitions of “interest” or “discount” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The Proposed Financial Transaction Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **Participating Member States**). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. 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 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 and the scope of any such tax is uncertain. 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 Notes are advised to seek their own professional advice in relation to the FTT.

Ireland

The following summary outlines certain aspects of Irish tax law and practice regarding Irish withholding tax in respect of payments of interest arising on the Notes. This summary is not exhaustive and holders of Notes are advised to consult their own tax advisors with respect of the taxation consequences of their ownership of the Notes or the receipt of interest thereon. The comments are made on the assumption that the Issuer is not resident in Ireland for Irish tax purposes and does not carry on a trade in Ireland through a branch or agency. The summary is based on current Irish taxation legislation and the practice of the Irish Revenue Commissioners.

Irish Withholding Tax

Under Irish tax law there is no obligation on the Issuer to operate any withholding tax on payments of interest on the Notes except where the interest has an Irish source. The interest could be considered to have an Irish source, where, for example, the interest constitutes yearly interest and is paid out of funds maintained in Ireland or where the Notes are secured on Irish situate assets. The mere offering of the Notes to Irish investors or the listing of the Notes on Euronext Dublin will not cause the interest to have an Irish source.

In certain circumstances, collection agents and other persons receiving interest on the Notes in Ireland on behalf of an Irish resident holder of Notes will be obliged to operate a withholding tax.

SUBSCRIPTION AND SALE

In respect of each Tranche of Notes issued under the Programme a Dealer may, by entering into a purchase agreement (the **Purchase Agreement**), agree with the Issuer the basis upon which it agrees to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above.

(a) United States of America

General

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act and any applicable U.S. state securities laws. The Notes will be offered and sold only outside the United States to persons other than U.S. persons in offshore transactions that meet the requirements of Rule 903 or Rule 904 of Regulation S and in compliance with any other applicable securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury Regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the **Code**) and U.S. Treasury Regulations promulgated thereunder.

With respect to Bearer Notes issued in compliance with TEFRA D (defined below):

- (i) except to the extent permitted under U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (**TEFRA D**) (a) each Dealer represents that it has not offered or sold, and agrees that during a 40-day restricted period it will not offer or sell the Bearer Notes to a person who is within the United States or its possessions or to a U.S. person, and (b) represents that it has not delivered and it will not deliver within the United States or its possessions any Bearer Notes that are sold during the restricted period;
- (ii) each Dealer acknowledges and agrees that it has and throughout the restricted period (as defined under TEFRA D) will have in effect, procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Bearer Notes are aware that such Bearer Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a U.S. person, except as permitted by TEFRA D;
- (iii) if it is a U.S. person, each Dealer represents that it is acquiring the Bearer Notes for purposes of resale in connection with their original issuance and if it retains the

Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code); and

- (iv) with respect to each affiliate that acquires from it any Notes for the purpose of offering or selling such Bearer Notes during the restricted period, it either (a) confirms the representations contained in paragraphs (i) to (iii) above on behalf of such affiliate or (b) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations contained in paragraphs (i) to (iii) above.

Terms used in this paragraph (i), (ii), (iii) and (iv) have the meanings given to them by the Code and U.S. Treasury Regulations thereunder, including TEFRA D.

Under U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (**TEFRA C**) to set out the criteria for “foreign targeted obligations” that are exempt from the excise tax under Section 4701(b)(1)(B) of the Code, Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance and each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Bearer Notes within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of Bearer Notes, each Dealer will represent that it has not (i) communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or (ii) otherwise involved, and will not involve, its U.S. office in the offer, sale or delivery of Bearer Notes. Terms used in this paragraph have the meanings given to them by the Code and U.S. Treasury Regulations thereunder, including TEFRA C.

The Issuer or, as the case may be, each Dealer of an issue will be required to represent and agree that it has not offered, sold or, in the case of the Bearer Notes, delivered and will not offer, sell or, in the case of the Bearer Notes, deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable Tranche of which such Notes are a part, as determined and certified by the Issuer or, as the case may be, the relevant Dealer or, in the case of an issue of Notes on a syndicated basis the relevant lead Dealer, of all Notes of the identifiable Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. The Issuer or, as the case may be, each Dealer of an issue will agree that it will send to each Dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by the Issuer or any Dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act. Terms

used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each issue of Index Linked Notes, Equity Linked Notes, Credit Linked Notes, Currency Linked Notes, Commodity Linked Notes, Government Bond Linked Notes, Fund Linked Notes, Inflation Index Linked Notes or Certificate Linked Notes will be subject to such additional U.S. selling restrictions as the Issuer and any Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. The Issuer or, as the case may be, each Dealer of an issue will agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

(b) European Economic Area

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer of an issue will represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Programme Document as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (i) the expression **retail investor** means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (b) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a qualified investor as defined in the Prospectus Directive; and
- (ii) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer of an issue will 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 Programme Document as completed by the Pricing Supplement 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) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) 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
- (iv) 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 (ii) to (iv) 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 an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in each Relevant Member State.

(c) United Kingdom

Each Dealer will 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and

- (ii) it has complied with and will comply with all applicable provisions of the FSMA (and all rules and regulations made pursuant to the FSMA) with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

(d) 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 **Financial Instruments and Exchange Act**). Accordingly, each Dealer of an issue will represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means 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 re-sale, 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 Financial Instruments and Exchange Act and other relevant laws, regulations and ministerial guidelines of Japan.

(e) France

Each Dealer of an issue will represent and agree that:

- (i) it has only made and will only make an offer of Notes to the public in France during the period beginning on the date of notification to the *Autorité des marchés financiers (AMF)* of the approval of a prospectus relating to those Notes by the competent authority of a Member State of the European Economic Area other than the AMF which has implemented the Prospectus Directive all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of such prospectus;
- (ii) otherwise, 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, a prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account 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*.

(f) Hong Kong

Each Dealer of an issue will represent, warrant and agree, that:

- (a) it has not offered or sold, and will not offer or sell, in the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**) by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**)) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMPO)**) or which do not constitute an offer to the public within the meaning of the C(WUMPO); 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.

(g) The People's Republic of China

Each Dealer of an issue will represent and agree that the Notes may not be offered or sold within the People's Republic of China (solely for such purposes, not including Hong Kong and Macao Special Administrative Regions or Taiwan) (**PRC**).

This Programme Document, the offering material or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Programme Document, the offering material, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested in by PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. PRC investors themselves are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, PBoC, the China Securities Regulatory Commission, the China Banking and Insurance Regulatory Commission, the State Administration of Foreign Exchange and/or other relevant regulatory bodies, and complying with all relevant PRC regulations, including,

but not limited to, any relevant PRC foreign exchange regulations and/or overseas investment regulations.

(h) Singapore

Each Dealer will acknowledge that this Programme Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer will represent, warrant and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Programme Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or

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

(i) General

With regard to each issue of Notes, any Dealer will be required to agree to comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses or distributes this Programme Document or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the 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 none of the Issuer or any Dealer shall have responsibility therefor.

None of the Issuer or any Dealer 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.

With regard to each Tranche, any Dealer will be required to comply with such other restrictions as shall be set out in the relevant Pricing Supplement.

CERTAIN ERISA CONSIDERATIONS

Sections 404 and 406 of the Employee Retirement Income Security Act of 1974, as amended (**ERISA**) and Section 4975 of the Code impose fiduciary and prohibited transaction restrictions on the activities of employee benefit plans (as defined in Section 3(3) of ERISA) and certain other retirement plans and arrangements subject to Section 4975 of the Code and on investment funds and accounts the assets of which are deemed to be "plan assets" for purposes of ERISA and Section 4975 of the Code, including but not limited to bank collective investment funds and insurance company separate and, in some circumstances, general accounts (together referred to as **Plans**).

Some employee benefit plans, including governmental plans (as defined in Section 3(32) of ERISA), plans maintained outside the United States primarily for the benefit of persons substantially all of whom are non-resident aliens as described in Section 4(b)(4) of ERISA and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) are not subject to ERISA. Accordingly, assets of these plans may be invested in the Notes without regard to the ERISA considerations described below, subject to the provisions of other applicable federal, state and local law. Any such plan which is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code, however, is subject to the prohibited transaction rules set forth in Section 503 of the Code.

ERISA generally imposes general fiduciary requirements on the fiduciaries of a Plan, including the duties of investment prudence and diversification and the requirement that a Plan's investments be made in accordance with the documents governing the Plan. Any person who has discretionary authority or control with respect to the management or disposition of a Plan's assets (referred to as **Plan Assets**), and any person who provides investment advice with respect to Plan Assets for a fee (or who has the responsibility to provide such advice) is a fiduciary of the Plan. Further, Section 406 of ERISA and Section 4975 of the Code prohibits Plans from engaging in "prohibited transactions" set forth under those sections unless a statutory or administrative exemption is available. Additionally, ERISA and Section 4975 of the Code impose penalties and excise taxes on certain persons (referred to in ERISA as parties in interest and in Section 4975 of the Code as **disqualified persons**) in connection with a prohibited transaction.

The U.S. Department of Labor (**DOL**) has promulgated the DOL regulations (29 C.F.R. § 2510.3-101 as modified by Section 3(42) of ERISA and collectively referred to as the **Plan Asset Regulation**) concerning whether or not a Plan's assets would be deemed to include an interest in the underlying assets of an entity, including a trust, for purposes of applying the general fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Code. The Plan Asset Regulation provides that, generally, when a Plan acquires an "equity interest" in an entity, the Plan's assets include the investment but do not, solely by reason of the Plan's investment, include the underlying assets of the entity. However, (1) when a Plan invests in an entity that is not an "operating company" or (2) the equity interest purchased by the Plan is neither a "publicly-offered security" or a security issued by an investment company registered under the 1940 Act, the

Plan's assets include both the investment and an undivided interest in each of the underlying assets of the entity unless "benefit plan investors" own less than 25 per cent. of any class of equity securities issued by the entity (all terms in quotes are as defined in the Plan Asset Regulation). The Plan Asset Regulation provides that an "equity interest" is any interest in an entity other than an instrument that is treated as debt under local law and which has no substantial equity features.

Because the Issuer, the Dealers, the Trustee, any Paying Agent, any Registrar or any of their respective affiliates (collectively, the **Transaction Parties**) may receive certain benefits in connection with the sale of the Notes, the purchase of Notes using Plan Assets over which any of such parties has investment authority and is a fiduciary for the purposes of ERISA and Section 4975 of the Code might be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code for which no exemption may be available. Prospective Plan investors should therefore determine whether any of the Transaction Parties is a "party in interest" (within the meaning of ERISA) or "disqualified person" (within the meaning of the Code) with respect to such plan and, if so, whether such transaction is subject to one or more statutory or administrative exemptions. The DOL has granted certain class exemptions (**Class Exemptions**) which provide relief from certain of the prohibited transaction provisions of ERISA and the related excise tax provisions of the Code, including, but not limited to: Prohibited Transaction Class Exemption (**PTCE**) 84-14, which exempts certain transactions effected on behalf of a plan by a "qualified professional asset manager"; PTCE 90-1, which exempts certain transactions between insurance company separate accounts and parties in interest (or disqualified persons); PTCE 91-38, which exempts certain transactions between bank collective investment funds and parties in interest (or disqualified persons); PTCE 95-60, which exempts certain transactions between insurance company general accounts and parties in interest (or disqualified persons); and PTCE 96-23, which exempts certain transactions effected on behalf of a plan by an "in-house asset manager." There can be no assurance that any DOL exemption will apply with respect to any particular plan investment in the Notes or, even if all of the conditions specified therein were satisfied, that any exemption would apply to all prohibited transactions that may occur in connection with such investment.

In addition to any exemption that may be available under PTCE 95-60 for the purchase and holding of the Notes by an insurance company general account, Section 401(c) to ERISA may limit the application of certain of the provisions of Part 4 of Title I of ERISA and Section 4975 of the Code, including the prohibited transaction restrictions imposed by ERISA and the related excise taxes imposed by the Code, for transactions involving an insurance company general account.

Although there is no authority directly on point, the Issuer believes that, at the date of this Programme Document, it should be treated as an "operating company" for purposes of the Plan Asset Regulation. A prospective transferee of Notes or any interest therein who is a Plan trustee or is acting on behalf of a Plan, or using Plan Assets to effect such transfer or holding or a plan subject to any federal, state or local law materially similar to Section 406 of ERISA or Section 4975 of the Code (**Similar Law**) or using assets of such a plan (each a **Plan**

Investor), is required to provide written confirmation that the acquisition, holding and transfer of such class of Notes will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or comparable provisions of any Similar Law and will not subject the Issuer to any additional obligations or the assets of the Issuer to any Similar Law.

Any fiduciary or representative of a Plan Investor that proposes to acquire or hold Notes on behalf of or with assets of any Plan Investor is encouraged to consult with its counsel with respect to the application of the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and the Code (and in the case of non-ERISA plans and arrangements, any additional federal, state or local law considerations) before making the proposed investment.

No Transaction Party is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition of any of Notes by any Plan. Each Plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold Notes should determine whether, under the general fiduciary standards of investment prudence and diversification and under the documents and instruments governing the Plan, an investment in such Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in Notes should consult with its counsel to confirm that such investment will not result in a prohibited transaction and will satisfy the other requirements of ERISA and the Code. Fiduciaries of plans subject to any Similar Law should confirm that an investment in Notes will not result in a violation of such Similar Law.

Each purchaser of Notes that is a Plan Investor will be deemed to have represented by its purchase of such Notes that: (1) none of the Transaction Parties (i) have provided any investment recommendation or investment advice to the Plan Investor or any fiduciary or other person investing the assets of the Plan Investor (a **Plan Fiduciary**) on which either the Plan Investor or Plan Fiduciary has relied in connection with the decision to purchase such Notes, (ii) are acting as a "fiduciary" within the meaning of Section 3(21) of ERISA or Section 4975(e)(3) of the Code to the Plan Investor or the Plan Fiduciary in connection with the Plan Investor's acquisition of such Notes; and (2) the Plan Fiduciary is exercising its own independent judgement in evaluating the transaction.

The sale of Notes to a Plan Investor is in no respect a representation by the Issuer that such an investment meets all relevant legal requirements with respect to investments by plans generally or any particular plan, or that such an investment is appropriate for plans generally or any particular plan. This Programme Document is not directed to any particular purchaser, nor does it address the needs of any particular purchaser. None of the Transaction Parties has undertaken to provide impartial investment advice, or to give advice in a fiduciary capacity, and none of these parties has or shall provide any advice or recommendation with respect to the management of any interest in Notes or the advisability of acquiring, holding, disposing or exchanging of any such interest.

GENERAL INFORMATION

Authorisation

The establishment and updating of the Programme and the issue of Notes under the Programme have been duly authorised by a resolution of the Board of Directors of the Issuer dated 30 October 2002 and the continuation and the issue of Notes under the Programme have been duly authorised pursuant to a resolution of the Executive Committee of the Issuer dated 1 August 2018 and a resolution of the Asset and Liability Management Committee of the Issuer dated 21 February 2019.

Listing

Application has been made to list Notes issued under the Programme on the Official List of Euronext Dublin and to admit them to trading on Euronext Dublin's Global Exchange Market.

The listing of the Programme in respect of Notes is expected to be granted on or about 22 February 2019.

Recent Developments

Litigation and Investigations

Other than as referred to in the section entitled "Description of the Issuer – Legal Proceedings" in this Programme Document, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which NatWest Markets is aware), which may have or have had during the 12 months preceding the date of this Programme Document, a significant effect on the financial position or profitability of NatWest Markets and/or the NWM Group.

Statement of No Significant Change and No Material Adverse Change

There has been no significant change in the financial position of the NWM Group taken as a whole, nor any material adverse change in the prospects of NatWest Markets, since 31 December 2018.

Auditors and Financial Statements

The consolidated financial statements of NatWest Markets for the years ended 31 December 2018 and 31 December 2017 have been audited by Ernst & Young LLP (**EY**) (authorised and regulated by the FCA for designated investment business), whose address is 25 Churchill Place, Canary Wharf, London E14 5EY. EY is registered with and authorised for regulated activities by the Institute of Chartered Accountants in England and Wales (the **ICAEW**) and all partners of EY have a practising certificate with the ICAEW.

The financial information incorporated by reference in this Programme Document does not constitute the NatWest Markets's statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the years ended 31 December 2018 and 31

December 2017 to which the financial information in this Programme Document relates are delivered to the Registrar of Companies in Scotland.

EY has reported on such statutory accounts for the years ended 31 December 2018 and 31 December 2017, and the report in respect of such years was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

Documents Available

For the period of twelve months from the date of this Programme Document, copies of the following documents will, when published, be available in physical form for inspection during normal business hours at the registered office of the Issuer and at the specified offices of each of the Paying Agents for the time being:

- (i) the constitutional documents of the Issuer;
- (ii) the audited consolidated annual financial statements of the Issuer for each of the financial years ended 31 December 2018 and 31 December 2017, in each case together with the audit reports prepared in connection therewith;
- (iii) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith;
- (iv) the Trust Deed (which contains the forms of the temporary and permanent Global Notes, the Global Certificates, the definitive Notes, the Receipts, the Coupons and the Talons) and the Agency Agreement (which, for the avoidance of doubt, shall not be available for inspection at the specified office of the Registrar in respect of Registered Notes cleared through CREST); and
- (v) the form of transfer in respect of Registered Notes (other than Registered Notes cleared through CREST).

In addition, copies of the Registry Services Agreement will be made available for inspection during normal business hours at the registered office of the Registrar in respect of Registered Notes cleared through CREST.

Clearing Systems

The applicable Pricing Supplement will specify through which clearing system(s) a Tranche of Notes may be cleared. Bearer Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and Registered Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and CREST (which are the entities in charge of keeping the records) as specified in the relevant Pricing Supplement. Acceptance by the CMU Service of such Notes will be confirmed in the relevant Pricing Supplement. The Common Code, the International Securities Identification Number (ISIN), the CMU Code and

(where applicable) the Financial Instrument Short Name (FISN), the Classification of Financial Instruments (CFI) code and the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement. If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be contained in the applicable Pricing Supplement.

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 S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

The address of CREST is Euroclear UK and Ireland Limited, 33 Cannon Street, London EC4M 5SB.

CMU Service

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority (**HKMA**) for the safe custody and electronic trading between the members of this service (**CMU Members**) of capital markets instruments (**CMU Instruments**) which are specified in the CMU Service Reference Manual as capable of being held within the CMU Service. The CMU Service is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU Service is open to all members of the Hong Kong Capital Markets Association and “authorised institutions” under the Banking Ordinance (Cap. 155) of Hong Kong. Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European Clearing Systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the payment or notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are to be credited or notices in respect of the relevant CMU Instruments are to be delivered, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor may hold an interest in any Notes cleared through the CMU Service through an account with either Euroclear or Clearstream, Luxembourg. If that is the case, such investor will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

The address of the CMU Service is 55th Floor, Two International Finance Centre, 8 Finance Street Central, Hong Kong.

Conditions for determining price

The issue price and amount of Notes to be issued under the Programme will be determined at the time of issue in accordance with then prevailing market conditions.

Post-issuance information

Unless otherwise specified in the applicable Pricing Supplement, the Issuer does not intend to provide any post-issuance information in relation to any issues of Note.

Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is RR3QWICWWIPCS8A4S074.

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