

BASE PROSPECTUS

10 August 2015

Merrill Lynch B.V.
(a Dutch Private Limited Liability Company)

Merrill Lynch International & Co. C.V.
(a Curaçao Limited Partnership)

NOTE, WARRANT AND CERTIFICATE PROGRAMME

Unconditionally and irrevocably guaranteed (other than in respect of Secured W&C Instruments) by

Bank of America Corporation
(a Delaware (U.S.A.) Corporation)

*This document (the "**Base Prospectus**") constitutes a base prospectus in respect of the Programme (as defined below). Any Instruments (as defined below) issued on or after the date of this Base Prospectus are issued subject to the provisions herein. This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**"). The Issuers have also prepared a registration document (the "**Registration Document**") for use in connection with the issue of Instruments under the Programme. Instruments issued under the Programme by way of Registration Document shall be documented by a Securities Note (the "**Securities Note**") and a Summary (the "**Summary**"). The Registration Document and any Securities Note and Summary prepared in connection therewith do not form part of this Base Prospectus.*

Under the terms of the Note, Warrant and Certificate Programme (the "**Programme**"), Merrill Lynch B.V. ("**MLBV**") may from time to time issue notes ("**Notes**") or certificates ("**Certificates**") and Merrill Lynch International & Co. C.V. ("**MLICo.**" and, together with MLBV, the "**Issuers**" and each an "**Issuer**") may from time to time issue Certificates or warrants ("**Warrants**" and, together with Certificates, "**W&C Instruments**", and W&C Instruments together with Notes, "**Instruments**"). Instruments relating to a specified index or a basket of indices ("**Index Linked Instruments**"), a specified share or a basket of shares ("**Share Linked Instruments**"), a specified global depositary receipt ("**GDR**") or American depositary receipt ("**ADR**") or a basket of GDRs and/or ADRs ("**GDR/ADR Linked Instruments**"), a specified fund or a basket of funds ("**Fund Linked Instruments**") or a basket comprising any combination of the foregoing ("**Hybrid Basket Linked Instruments**") (and each such underlying asset or basis of reference, an "**Underlying Asset**") may be issued under the Programme. Instruments may also bear interest (in the case of Notes) or pay additional amounts (in the case of W&C Instruments). MLICo. may also issue W&C Instruments that are secured, in favour of Holders of the W&C Instruments, by a segregated pool of collateral assets (the "**Secured W&C Instruments**"). Each issue of Notes will be issued on the terms set out herein which are relevant to such Notes under "Terms and Conditions of the Notes" on pages 201 to 228 and the additional Terms and Conditions on pages 344 to 384 and pages 488 to 562 (the "**Note Conditions**") and each issue of Warrants and Certificates will be issued on the terms set out herein which are relevant to such W&C Instruments under "Terms and Conditions of the W&C Instruments" on pages 291 to 343 and the additional Terms and Conditions on pages 344 to 345, pages 385 to 557, and pages 563 to 571 (the "**W&C Instruments Conditions**") and, in each case, on such additional terms as may be set out in the applicable Final Terms (the "**Final Terms**"). **The Instruments, and any non-contractual obligations arising out of them, will be governed by, and construed in accordance with, English law.**

Bank of America Corporation ("**BAC**" or the "**Guarantor**") has in a guarantee dated 10 August 2015 (the "**Guarantee**"), irrevocably and unconditionally guaranteed the payment and non-cash delivery obligations in respect of the Instruments issued by each Issuer (other than Secured W&C Instruments issued by MLICo.) from time to time under the Programme on or after the date of the Guarantee (see the section entitled "Form of Guarantee"). **The Guarantee will be governed by, and construed in accordance with, the laws of the State of New York. Secured W&C Instruments issued by MLICo. will not benefit from the Guarantee.**

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme and MLBV's other structured products programmes will not exceed €15,000,000,000 (or its

equivalent in other currencies), subject to increase as described in the Programme Agreement (as defined under "Offering and Sale" below).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended (the "**Luxembourg Prospectus Law**"), to approve this Base Prospectus as a base prospectus. Pursuant to Article 7(7) of the Luxembourg Prospectus Law, by approving this Base Prospectus, the CSSF gives no undertaking as to, and assumes no responsibility for, the economic and financial characteristics of the Instruments to be issued hereunder or the quality and solvency of any Issuer or the Guarantor. Application has also been made to the Luxembourg Stock Exchange for Instruments issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) ("**MiFID**"). The Programme provides that Instruments may be listed or admitted to trading, as the case may be, on such further or other stock exchanges or markets as the relevant Issuer and the Dealer(s) (as defined herein) may agree. The applicable Final Terms will specify whether the Instruments are to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market and/or any other stock exchanges and/or markets. The Issuers may also issue unlisted Instruments and/or Instruments not admitted to trading on any market.

The Instruments, the Guarantee and, in certain cases, any securities to be delivered upon exercise or settlement of the Instruments (if any) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under any U.S. state securities laws. Trading in the Instruments has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") pursuant to the U.S. Commodity Exchange Act of 1936, as amended (the "**CEA**"). The Instruments may not be offered, sold, resold, traded, transferred, pledged, delivered, exercised or redeemed, directly or indirectly, at any time within the United States or to, or for the account or benefit of, any United States Person (as defined herein) (other than distributors) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, the Instruments (other than Rule 144A Warrants (as defined herein)) and the Entitlements (as defined herein) (if any) relating to such Instruments may not be legally or beneficially owned by United States Persons at any time nor offered, sold or delivered in the United States or to, or for the account or benefit of, United States Persons. Neither Issuer has registered as an investment company pursuant to the U.S. Investment Company Act of 1940, as amended (the "**1940 Act**"), and the rules thereunder. MLICo. may offer and sell unsecured Warrants of certain issues within the United States or to, or for the account or benefit of, United States Persons, if such persons are reasonably believed by MLICo. to be qualified institutional buyers (each a "**QIB**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") who are also each a qualified purchaser (each a "**QP**") within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the 1940 Act and the rules thereunder and who have executed an Investor Representation Letter (as defined herein) prior to acquiring any interest in such unsecured Warrants, such unsecured Warrants being referred to in this Base Prospectus as "**Rule 144A Warrants**". Each purchaser of Rule 144A Warrants is hereby notified that the offer and sale of such Rule 144A Warrants is being made in reliance upon the exemption from the securities registration requirements of the Securities Act provided by Rule 144A, and that such Rule 144A Warrants are not transferable except as provided under "Offering and Sale" below. In certain circumstances, exercise or settlement of Instruments will be conditional upon certification as to non-U.S. beneficial ownership or, in the case of a Series (as defined below) of Rule 144A Warrants, that the holder (and any person on whose behalf the holder is acting) is a QIB and a QP. See "Terms and Conditions of the W&C Instruments" on pages 291 to 343 and "Additional Terms and Conditions for Rule 144A Warrants" on pages 563 to 571. Investors in the Instruments will be deemed to have made or be required to make certain acknowledgements, representations and warranties in connection with purchasing the Instruments. See "Notice to Purchasers and Holders of Instruments and Transfer Restrictions" on pages 638 to 650. Rule 144A Warrants will be cash-settled only and will, unless otherwise specified in the applicable Final Terms, be sold through Merrill Lynch, Pierce, Fenner & Smith Incorporated or one of its affiliates, which in each case is a registered broker dealer in the United States.

Unless otherwise indicated, as used in this Base Prospectus, "**United States Person**" means a person which is a "U.S. person" as defined by Regulation S under the Securities Act or a "United States

person" as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and in the U.S. Department of the Treasury (the "U.S. Treasury") regulations.

For a description of certain further restrictions on offers and sales of the Instruments and on the distribution of this Base Prospectus, see "Offering and Sale" on pages 704 to 729.

Each issue of Instruments will be issued in the form set out in "Form of the Instruments" on pages 165 to 169.

Prospective purchasers of Instruments should ensure that they understand the nature of the relevant Instruments and the extent of their exposure to risks and that they consider the suitability of the relevant Instruments as an investment in the light of their own circumstances and financial condition. Instruments involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Instruments. See "Risk Factors" on pages 75 to 135.

The credit ratings of BAC referred to in this Base Prospectus have been issued by Standard & Poor's Financial Services LLC, Moody's Investors Service, Inc. and Fitch Ratings, Inc., none of which is established in the European Union or registered under Regulation (EC) No. 1060/2009, as amended (the "CRA Regulation"). The credit rating of MLBV referred to in this Base Prospectus has been issued by Fitch Ratings, Inc. The rating of MLBV by Fitch Ratings, Inc. has been endorsed by Fitch Ratings Ltd. in accordance with the CRA Regulation. Fitch Ratings Ltd. is established in the European Union and registered under the CRA Regulation. As such, Fitch Ratings Ltd. is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. ESMA has indicated that ratings issued in the United States of America which have been endorsed by Fitch Ratings Ltd. may be used in the European Union by the relevant market participants. Credit ratings and outlooks may be adjusted over time, and there is no assurance that these credit ratings will be effective after the date of this Base Prospectus.

The rating of certain Series of Instruments to be issued under the Programme may be specified in the applicable Final Terms. The list of credit rating agencies registered under the CRA Regulation (as updated from time to time) is published on the website of ESMA (www.esma.europa.eu/page/List-registered-and-certified-CRAs). In general, European regulated investors are restricted under the CRA Regulation from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to certain exceptions. Such general restriction will also apply in the case of ratings issued by non-EU credit rating agencies, unless the relevant ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

BofA MERRILL LYNCH

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF OR RECOMMENDED OR GIVEN APPROVAL TO ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

IMPORTANT NOTICES

Base Prospectus

This Base Prospectus has been approved by the CSSF as a Base Prospectus, and constitutes two Base Prospectuses, one for MLBV and one for MLICo., for the purposes of Article 5.4 of the Prospectus Directive. This Base Prospectus is not a prospectus for the purposes of Section 12(a)(2) or any other provision of or rule under the Securities Act.

This Base Prospectus is to be read and construed in conjunction with all documents which are, or are deemed to be, incorporated herein by reference (see "Documents Incorporated by Reference" on pages 136 to 143). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

In respect of Share Linked Instruments, GDR/ADR Linked Instruments and Fund Linked Instruments, warrants falling under Article 17 of Commission Regulation (EC) No. 809/2004 (the "**Prospectus Regulation**") may not be issued under this Base Prospectus.

In respect of Index Linked Instruments, the specified index or indices shall not be composed by BAC, MLBV or MLICo. or any legal entity belonging to the same group as BAC, MLBV or MLICo.

In respect of Secured W&C Instruments, the collateral assets shall not be composed of securities of BAC, MLBV or MLICo. or any legal entity belonging to the same group as BAC, MLBV or MLICo.

Responsibility Statements

MLBV accepts responsibility for the information contained in this Base Prospectus, excluding the information set forth under "Merrill Lynch International & Co. C.V." on pages 656 to 657, the information set forth under "Selected Financial Data of Merrill Lynch International & Co. C.V." on pages 658 to 659, the information set forth under "Bank of America Corporation" on pages 660 to 664, the information set forth under "Selected Financial Data of Bank of America Corporation" on pages 665 to 666, the information set forth under "Annex 8 – *Additional Terms and Conditions for Rule 144A Warrants*" on pages 563 to 571, Annex 9 – *Additional Terms and Conditions for Secured W&C Instruments* on pages 572 to 603, Annex 10 – *Additional Terms and Conditions for Secured W&C Instruments* on pages 604 to 629, information incorporated by reference in respect of MLICo. and BAC, and statements in respect of MLICo. and BAC under "General Information" on pages 730 to 734 (together, the "**MLBV Base Prospectus**"), and to the best of the knowledge of MLBV (having taken all reasonable care to ensure that such is the case), the information contained in the MLBV Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

MLICo. accepts responsibility for the information contained in this Base Prospectus, excluding the information set forth under "Merrill Lynch B.V." on pages 651 to 652, the information set forth under "Selected Financial Data of Merrill Lynch B.V." on pages 653 to 655, the information set forth under "Bank of America Corporation" on pages 660 to 664, the information set forth under "Selected Financial Data of Bank of America Corporation" on pages 665 and 666, the information set forth under "Form of Final Terms of the Notes" on pages 170 to 200, the information set forth under "Terms and Conditions of the Notes" on pages 201 to 228, the information set forth under "Annex 7 – *Additional Terms and Conditions for Physical Delivery Notes*" on pages 558 to 562, information incorporated by reference in respect of MLBV and BAC, and statements in respect of MLBV and BAC under "General Information" on pages 730 to 734 (together, the "**MLICo. Base Prospectus**"), and to the best of the knowledge of MLICo. (having taken all reasonable care to ensure that such is the case), the information contained in the MLICo. Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

BAC accepts responsibility for the information set forth under "Bank of America Corporation" on pages 660 to 664, the information set forth under "Selected Financial Data of Bank of America Corporation" on pages 665 to 666, information incorporated by reference in respect of BAC and the statements in respect of BAC under "General Information" on pages 730 to 734 and to the best of the knowledge of BAC (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. BAC has accurately reproduced the information contained in the MLBV Base Prospectus

and MLICo. Base Prospectus and accepts responsibility for the accurate reproduction of such information.

In addition, in the context of any offer of securities that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), each of the Issuers and the Guarantor accepts responsibility, in each of the Member States for which it has given its consent referred to herein, for the content of this Base Prospectus (excluding, with respect to the Guarantor, Annex 9 – *Additional Terms and Conditions for Secured W&C Instruments* on pages 572 to 603 and Annex 10 – *Additional Terms and Conditions for Secured W&C Instruments* on pages 604 to 629 for which it does not accept responsibility) in relation to any person (an "**Investor**") to whom an offer of any Instruments is made by any financial intermediary to whom it has given its consent to use this Base Prospectus (an "**Authorised Offeror**"), where the offer is made during the period for which that consent is given and where the offer is made in the Member State for which that consent was given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, none of the Issuers, the Guarantor or any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

Consent to Use this Base Prospectus

Subject to the conditions set out below, in connection with a Non-exempt Offer of any relevant Instruments, the relevant Issuer and the Guarantor consent to the use of this Base Prospectus by each relevant Dealer or Manager and by:

- (a) any financial intermediaries named as an "Initial Authorised Offeror" in the applicable Final Terms;
- (b) if the relevant Issuer appoints additional financial intermediaries after the date of the applicable Final Terms and publishes details in relation to them on its website (www.invest.baml.com), each financial intermediary whose details are so published,

in the case of (a) or (b) above, for as long as such financial intermediaries are authorised to make such offers under MiFID; or
- (c) in any other case, any financial intermediary which is authorised to make such offers (i) by Merrill Lynch International ("**MLI**")* and (ii) under MiFID, and which states on its website that it is relying on this Base Prospectus to offer the relevant tranche of Instruments during the Offer Period specified in the applicable Final Terms (the "**Offer Period**").

The consent of the relevant Issuer and the Guarantor is subject to the following conditions:

- (i) the consent is only valid during the Offer Period;
- (ii) the consent only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant tranche of Instruments in Finland, France, Ireland, Italy, The Netherlands, Spain, Sweden and the United Kingdom; and
- (iii) the consent is subject to any other conditions set out in Part B of the applicable Final Terms.

Any financial intermediary falling within paragraph (c) above who wishes to use this Base Prospectus in connection with a Non-exempt Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Non-exempt Offer in accordance with the consent of the relevant Issuer and the Guarantor and the conditions attached thereto.

Other than as set out above, none of the Issuers, the Guarantor or any Dealer has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use

* The marketing name of MLI is BofA Merrill Lynch as set out on page 3.

this Base Prospectus in connection with its offer of any Instruments. Any such offers are not made on behalf of the Issuers, the Guarantor or by any of the Dealers or Authorised Offerors and none of the Issuers, the Guarantor or any Dealers or other Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Instruments from an Authorised Offeror will do so, and offers and sales of the Instruments to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The relevant Issuer and the Guarantor will not be a party to any such arrangements with Investors (other than the Dealers or Managers, as applicable) in connection with the offer or sale of the Instruments and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the relevant Issuer, the Guarantor or any Dealer or other Authorised Offeror has any responsibility or liability for such information.

Third Party Information

Information contained in this Base Prospectus which is sourced from a third party has been accurately reproduced and, as far as each Issuer and BAC is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Each Issuer has also identified the source(s) of such information.

No Person has been Authorised to Give Any Information Relating to the Instruments Beyond that Contained in this Base Prospectus

No person is or has been authorised by MLBV, MLICo., BAC or MLI to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by MLBV, MLICo., BAC, MLI or any other Dealer of an issue of Instruments. This Base Prospectus 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 offer or solicitation and no action is being taken to permit an offering of the Instruments or the distribution of this Base Prospectus in any jurisdiction where any such action is required.

Issues of Instruments

The Instruments of each issue may be sold by the relevant Issuer and/or any Dealer at such time and at such prices as the relevant Issuer and/or the Dealer(s) may select. There is no obligation upon the relevant Issuer or any Dealer to sell all of the Instruments of any issue. The Instruments of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the relevant Issuer.

Subject as provided in the "Terms and Conditions of the Notes" and the "Terms and Conditions of the W&C Instruments", as applicable, each Issuer shall have complete discretion as to what type of Instruments it issues and when.

Disclaimer by Dealers

Apart from the Issuers and BAC, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by MLBV, MLICo. and/or BAC. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by MLBV, MLICo. and/or BAC in connection with the Programme.

No Recommendation to Purchase the Instruments

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Instruments (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by MLB, MLICo., BAC, any Dealer or the Security Agent and its affiliates that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Instruments should purchase any Instruments. Each investor contemplating purchasing any Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and BAC. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any issue of Instruments constitutes an offer or an invitation by or on behalf of MLB, MLICo., BAC, any Dealer, the Security Agent and its affiliates or any other person to subscribe for or to purchase any Instruments.

The Information in this Base Prospectus (and any Supplement) is Subject to Change

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Instruments shall in any circumstances imply that the information contained herein concerning MLB, MLICo. and BAC is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. No Dealer undertakes to review the financial condition or affairs of MLB, MLICo. and/or BAC during the life of the Programme or to advise any investor in the Instruments of any information coming to their attention.

Restrictions on Distribution of this Base Prospectus

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Instruments in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Instruments may be restricted by law in certain jurisdictions. None of MLB, MLICo., BAC or any Dealer represents that this Base Prospectus may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offer. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by MLB, MLICo., BAC or any Dealer which is intended to permit a public offering of any Instruments or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Instruments may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Instruments. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Instruments in the United States, the European Economic Area (including Luxembourg, the United Kingdom, France, Italy, The Netherlands and Spain), Argentina, Australia, Bahrain, Bermuda, Cayman Islands, the People's Republic of China, Hong Kong, India, Indonesia, Israel, Japan, Malaysia, Mauritius, Pakistan, Panama, Philippines, Singapore, South Korea, Sri Lanka, Switzerland, Taiwan, Thailand, Turkey, Uruguay and Vietnam, and such other restrictions as may be required in connection with the offering and sale of a particular Series of Instruments (see "Offering and Sale" on pages 704 to 709).

Certain U.S. Selling Restrictions and Other Disclosure

None of the Instruments of any Series, the Guarantee, and in certain cases, the securities to be delivered upon exercise or settlement of the Instruments have been, or will be, registered under the Securities Act or any U.S. state securities laws. Trading in the Instruments has not been approved by the CFTC pursuant to the CEA.

The Instruments (other than Rule 144A Warrants) may not be legally or beneficially owned by United States Persons at any time nor offered, sold, resold, pledged, assigned, delivered, or otherwise transferred, exercised or redeemed directly or indirectly, in the United States or to, or for the account or benefit of, United States Persons (other than distributors). Any offer, sale, resale, pledge, assignment, delivery or other transfer, exercise or redemption of the Instruments (other than Rule 144A Warrants)

made, directly or indirectly, within the United States or to, or for the account or benefit of, a United States Person (other than to a distributor) will not be recognised. See "Notice to Purchasers and Holders of Instruments and Transfer Restrictions" and "Offering and Sale".

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs who are also QPs for informational use solely in connection with the consideration of the purchase of the Rule 144A Warrants. It may not be copied or reproduced in the United States in whole or in part nor may it be distributed or any of its contents disclosed to anyone in the United States other than the prospective investors to whom it is originally submitted. Each purchaser of Rule 144A Warrants is hereby notified that the offer and sale of such Rule 144A Warrants to it is made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A and that such Rule 144A Warrants are not transferable except as provided under "Notice to Purchasers and Holders of Instruments and Transfer Restrictions" and "Offering and Sale" below.

Each purchaser or holder of interests in the Instruments will be deemed, by its acceptance or purchase of any such Instruments, to have made, or will be required to make, certain acknowledgements, representations and agreements as set out in "Notice to Purchasers and Holders of Instruments and Transfer Restrictions" and "Offering and Sale". Hedging transactions involving an Instrument may not be concluded other than in compliance with the Securities Act.

Notwithstanding anything to the contrary contained herein, each holder and beneficial owner of the Instruments (and each employee, representative, or other agent of each holder and beneficial owner of the Instruments) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described herein and all materials of any kind that are provided to the holder or beneficial owner of the Instruments relating to such tax treatment and tax structure (as such terms are defined in U.S. Treasury Regulation Section 1.6011-4). This authorisation of tax disclosure is retroactively effective to the commencement of discussions with holders or beneficial owners of the Instruments regarding the transactions contemplated herein.

None of MLBV, MLICo. or BAC has investigated, and none has or may have access to information that would permit it to ascertain, whether any company which has issued equity, debt or other instruments to which any Instruments relate is for U.S. tax purposes a passive foreign investment company, a controlled foreign corporation, a publicly-traded partnership or other type of pass-through entity. Prospective investors in any Instruments that are U.S. taxpayers should consult their own advisers concerning U.S. tax considerations relevant to an investment in such Instruments.

If Instruments are linked to Underlying Assets that are Shares of one or more United States issuers, such Shares must be registered with the U.S. Securities and Exchange Commission (the "SEC"). In addition, if Instruments are linked to Underlying Assets that are (i) Shares of one or more United States issuers or (ii) indices comprised of stock, Shares or other securities of United States issuers, such United States issuers must be, at the time of the issuance of the relevant Instruments, a reporting issuer under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Instruments and the Guarantee have not been approved or disapproved by the SEC or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

Stabilising Legend

In connection with the issue of any Tranche (as defined under "Terms and Conditions of the Notes") of Notes, the Dealer or Dealers (if any) acting as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) 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, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. 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 be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the relevant Tranche of Notes and 60 calendar 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 Stabilising Manager(s)) in accordance with all applicable laws and rules.

Certain specific information may not be known at the beginning of an offer period

In certain circumstances at the commencement of an offer period in respect of a relevant tranche of Instruments but prior to the issue date, certain specific information relating to the Instruments (such as certain amounts, levels, percentages, prices, rates or values (as applicable) used to determine or calculate amounts payable or assets deliverable in respect of the Instruments) may not be fixed or determined. In these circumstances, the applicable Final Terms will specify indicative amounts or range in respect of such amounts, levels, percentages, prices, rates or values (as applicable). Notice of the actual amounts, levels, percentages, prices, rates or values (as applicable) when fixed or determined at the end of the offer period will be published prior to the issue date in accordance with the conditions of the Instruments. Accordingly, in these circumstances investors will be required to make their decision to invest in the Instruments based on the indicative amount or range in respect of the relevant amounts, levels, percentages, prices, rates or values (as applicable) specified in the applicable Final Terms.

Defined Terms

An index of defined terms is set out on pages 735 to 772 of this Base Prospectus.

In this Base Prospectus, references to:

- (i) **"A\$"** are to Australian dollars;
- (ii) **"CNY"** are to Chinese Renminbi, the lawful currency of the People's Republic of China (including any lawful successor to the CNY);
- (iii) **"euro"**, **"EUR"** and **"€"** are to the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time);
- (iv) **"SEK"** are to Swedish Krona; and
- (v) **"U.S.\$"**, **"\$"** and **"U.S. dollars"** are to United States Dollars.

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AVAILABLE INFORMATION

Other than with respect to Secured W&C Instruments, BAC will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents relating to BAC incorporated herein by reference. Written requests for such documents should be directed to: Bank of America Corporation, Bank of America Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255-0065, Attention: Fixed Income Investor Relations, or fixedincomeir@bankofamerica.com. Telephone requests may be directed to either +1-866-607-1234 (toll free) or +1-212-449-6795. BAC's filings with the SEC are available through (1) the SEC's website at www.sec.gov, or the SEC's Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and (2) BAC's website at www.bankofamerica.com. In addition, all documents incorporated herein by reference will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) or at the specified offices of the Principal Paying Agent and the Principal Instrument Agent in London. References to web addresses in this Base Prospectus are included as inactive textual references only. Except as specifically incorporated by reference into this Base Prospectus, information on these websites is not part of this Base Prospectus.

SUMMARY OF THE PROGRAMME

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

SECTION A – INTRODUCTION AND WARNINGS		
A.1	Introduction	This summary should be read as introduction to the Base Prospectus. Any decision to invest in the Instruments should be based on consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such instruments.
A.2	Consent	[Not Applicable; the Instruments are issued in denominations of less than €100,000 (or its equivalent in any other currency) but will be offered pursuant to one or more exemptions from the obligation under the Prospectus Directive to publish a prospectus. There will be no Non-exempt Offer of the Instruments.] [Subject to the conditions set out below, in connection with a Non-exempt Offer (as defined below) of Instruments, the Issuer [and the Guarantor] consent[s] to the use of the Base Prospectus by [the Dealer] [each Manager] [and by]: (1) [[●], [●] [and] [●] (the "Initial Authorised Offeror[s]")]; (2) [if the Issuer appoints additional financial intermediaries after the date of the Final Terms dated [●] and publishes details in relation to them on its website (www.invest.baml.com), each financial intermediary whose details are so published, in the case of (1) or (2) above, for as long as such financial intermediaries are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC);] [or] [(3) [in any other case,] any financial intermediary which is authorised to make such offers (i) by Merrill Lynch International and (ii) under the Markets in Financial Instruments Directive (Directive 2004/39/EC), and which states on its website that it is relying on the Base Prospectus to offer the relevant tranche of Instruments during the Offer Period specified below], (each an "Authorised Offeror" and together the "Authorised Offerors"). The consent of the Issuer [and the Guarantor] is subject to the following conditions: (i) the consent is only valid during the period from [●] until [●] (the "Offer Period")]; [and] (ii) the consent only extends to the use of the Base Prospectus to make Non-exempt Offers (as defined below) of the tranche of Instruments in [Finland][,] [and] [France][,] [and] [Ireland][,] [and] [Italy][,] [and] [The Netherlands][,] [and] [Sweden][,] [and] [Spain][,] [and] [the United Kingdom][,] and] [.]

Summary of the Programme

through profit or loss	(86,638)	(313,004)
Interest income	66,175	75,004
Operating income	507	-
Operating profit/(loss) before tax	47,943	(30,820)
Administrative expenses	(575)	(116)
Total profit/(loss) before tax	47,368	(30,936)
Tax credit/(charge)	(7,786)	11,539
Profit/(loss) for the period	39,582	(19,397)
Other comprehensive income	-	-
Total comprehensive income/(loss)	39,582	(19,397)

Statement of Financial Position

	31 December 2014 \$'000	31 December 2013 \$'000
ASSETS		
Non-current assets		
Amounts owed by affiliated undertakings	2,205,319	2,921,262
Financial assets designated at fair value through profit or loss	319,662	548,835
Financial instruments held for trading	84,665	193,154
Deferred tax asset	-	6,732
Total non-current assets	<u>2,609,646</u>	<u>3,669,983</u>
Current assets		
Amounts owed by affiliated undertakings	414,499	544,249
Financial assets designated at fair value through profit or loss	48,252	26,150
Financial instruments held for trading	80,972	44,603
Total current assets	<u>543,723</u>	<u>615,002</u>
Total assets	<u><u>3,153,369</u></u>	<u><u>4,284,985</u></u>

Equity and Liabilities

Equity		
Issued share capital	0	0
Share premium	2,771	2,771
Preferred share capital	750,000	750,000
Retained earnings	32,797	9,062
Total equity attributable to the owners of the company	<u><u>785,568</u></u>	<u><u>761,833</u></u>
Non-current liabilities		
Financial liabilities designated at fair value through profit or loss	1,842,733	2,824,747
Financial instruments held for trading	27,050	103,262
Deferred tax liability	555	-
Total non-current liabilities	<u>1,870,338</u>	<u>2,928,009</u>
Current liabilities		
Financial liabilities designated at fair value through profit or loss	419,076	465,446
Amounts owed to affiliated undertakings	47,006	72,539
Financial instruments held for trading	26,685	39,310
Dividend payable	3,994	15,847
Income tax payable	602	1,885
Accrued expenses and other liabilities	100	116
Total current liabilities	<u>497,463</u>	<u>595,143</u>
Total liabilities	<u><u>2,367,801</u></u>	<u><u>3,523,152</u></u>
Total equity and liabilities	<u><u>3,153,369</u></u>	<u><u>4,284,985</u></u>

Statement of Changes in Equity as at 31 December 2013

	Issued share capital	Other reserves	Other equity capital	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000
Balance at 31 December 2012	2,771	-	-	44,306	47,077
Profit/(loss) for the year	-	-	-	(19,397)	(19,397)
Additions	-	-	750,000	-	750,000
Dividends declared	-	-	-	(15,847)	(15,847)
Transfers	(2,771)	2,771	-	-	-
Other comprehensive income	-	-	-	-	-
Balance at 31 December 2013	0	2,771	750,000	9,062	761,833

Statement of Changes in Equity as at 31 December 2014

	Issued share capital	Other reserves	Other equity capital	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000
Balance at 31 December 2013	0	2,771	750,000	9,062	761,833
Profit/(loss) for the year	-	-	-	39,582	39,582
Dividends declared	-	-	-	(15,847)	(15,847)
Other comprehensive income	-	-	-	-	-
Balance at 31 December 2014	0	2,771	750,000	32,797	785,568

There has been no material adverse change in the prospects of MLBV and no significant change in the financial or trading position of MLBV since 31 December 2014.]

[MLICo.

Profit and Loss Account

	Year Ended 31 December 2014	Year Ended 31 December 2013
	U.S.\$'000	U.S.\$'000
Turnover	127,551	234,631
Operating Loss	(22,960)	(6,409)
Profit on Ordinary Activities Before Taxation	2,148	10,408
Profit for the Period Before Partner's		
Profit Allocation.....	2,148	10,274
General Partner's Profit Allocation.....	(2,148)	(10,274)
Result for the Period After Partner's Profit Allocation.....	-	-

Balance Sheet

	31 December 2014	31 December 2013
	U.S.\$'000	U.S.\$'000
Fixed Assets	-	5
Current Assets	10,927,325	9,459,465
Creditors	10,927,325	9,459,470
Net Current Liabilities	-	(5)
Net Assets	-	-

There has been no material adverse change in the prospects of MLICo. and no significant change in the financial or trading position of MLICo. since 31 December 2014.]

B.13 **Recent events** [Not applicable; there have been no recent events particular to MLBV which are to

		a material extent relevant to the evaluation of the solvency of MLBV.] [Not applicable; there have been no recent events particular to MLICo. which are to a material extent relevant to the evaluation of the solvency of MLICo.]
B.14	Dependence upon other members of the Issuer's group	Please refer to B.5 above. [MLBV is part of BAC's group and transacts with, and depends on, entities within such group accordingly.] [MLICo. is part of BAC's group and transacts with, and depends on, entities within such group accordingly.]
B.15	Principal activities	[The main activity of MLBV consists of issuing notes, certificates and other securities to investors, the proceeds of which are loaned to, or placed on deposit with, companies in the BAC group.] [The principal activities of MLICo. are the issuance of warrants, certificates and related financial instruments, and distribution of Merrill Lynch managed funds and other managed fund products.]
B.16	Ownership and control	[MLBV is wholly-owned by Merrill Lynch International Incorporated, which, in turn, is wholly-owned by NB Holdings Corporation, whose ultimate parent is BAC.] [In respect of MLICo., ML Cayman Holdings Inc. is the General Partner. Merrill Lynch International Services Limited is the Limited Partner and is indirectly wholly-owned by BAC. The General Partner is wholly-owned by Merrill Lynch International Incorporated, which, in turn, is wholly-owned by NB Holdings Corporation, which, in turn, is wholly-owned by BAC.]
B.17	Rating:	[As at the date of this Base Prospectus, MLBV's long-term senior debt is rated A (Negative) by Fitch Ratings, Inc. ("Fitch").] [MLICo. is not rated.] [The Instruments have not been rated.] [The Instruments to be issued have been rated [●] by [●]]. <i>[Insert if Annex V or Annex XIII is applicable and the Instruments are Notes]</i>
B.18	Guarantee	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [BAC has in a New York law governed guarantee dated 10 August 2015 (the "Guarantee") unconditionally and irrevocably guaranteed (i) the due and punctual payment by the Issuer of any and all amounts payable by such Issuer as obligor in respect of each Instrument (except for Secured W&C Instruments which it does not guarantee); and (ii) the due and punctual delivery of non-cash consideration deliverable by the Issuer in respect of each Instrument (except for Secured W&C Instruments which it does not guarantee). BAC shall at all times have the right, in its sole and unfettered discretion, to elect not to deliver specified assets to holders of the Instruments it so guarantees when the same shall become due and deliverable, but in lieu thereof, to pay an amount equal to the fair market value of the specified assets in respect of such Instruments on any date notified as such by BAC to the Issuer and the Calculation Agent, less the cost to the Issuer and/or its affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as determined by BAC in its sole and absolute discretion. The obligations of BAC under the Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, rank <i>pari passu</i> with its other present and future unsecured and unsubordinated contractual obligations.]
B.19 (B.1)	Name of Guarantor	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [Bank of America Corporation (" BAC " or the " Guarantor ")]
B.19 (B.2)	Domicile and legal form	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [BAC is a Delaware corporation, a bank holding company, and a financial holding company. BAC operates under the General Corporation Law of the State of Delaware, Title 8 of the Delaware Code 1953, sections 101 through 398, known as the "Delaware

		General Corporation Law".]																																																																																																																																																																																																
		[Not Applicable; the Secured W&C Instruments are not guaranteed.] [BAC's registered office in Delaware is at the Corporation Trust Company, Corporate Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States.]																																																																																																																																																																																																
B.19 (B.4b)	Known trends	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [BAC's business may be affected by factors such as economic and political conditions and geopolitical events; market conditions; current, pending and future legislation, regulation and legal actions in the United States and worldwide; the availability and cost of credit and capital; investor, consumer and business sentiment and confidence in the financial markets; the actions and initiatives of competitors as well as governments, regulators and self-regulatory organizations, including changes in the way financial institutions are regulated; and technological changes.]																																																																																																																																																																																																
B.19 (B.5)	Description of the Group	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [BAC acts as the holding company of over 1,160 subsidiary undertakings worldwide which are all operative within the financial services sector.]																																																																																																																																																																																																
B.19 (B.9)	Profit forecast or estimate	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [Not applicable; no profit forecast or estimate is made in the Base Prospectus.]																																																																																																																																																																																																
B.19 (B.10)	Audit report qualifications	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [Not applicable; there are no qualifications in the audit reports of BAC on its audited historical financial information.]																																																																																																																																																																																																
B.19 (B.12)	Selected historical key financial information	[Not Applicable; the Secured W&C Instruments are not guaranteed.] <table><tr><th></th><th colspan="2">Six months ended June 30</th><th colspan="3">Year ended December 31</th></tr><tr><th></th><th>2015</th><th>2014</th><th>2014</th><th>2013</th><th>2012</th></tr><tr><td colspan="6">(Unaudited)</td></tr><tr><td colspan="6">Income statement:</td></tr><tr><td colspan="6">(Dollars in millions, except number of shares and per share information)</td></tr><tr><td>Interest income</td><td>\$25,095</td><td>\$25,876</td><td>\$50,886</td><td>\$55,020</td><td>\$57,400</td></tr><tr><td>Interest expense</td><td>5,156</td><td>5,778</td><td>10,934</td><td>12,755</td><td>16,744</td></tr><tr><td>Net interest income</td><td>19,939</td><td>20,098</td><td>39,952</td><td>42,265</td><td>40,656</td></tr><tr><td>Noninterest income</td><td>23,380</td><td>24,215</td><td>44,295</td><td>46,677</td><td>42,678</td></tr><tr><td>Total revenue, net of interest expense</td><td>43,319</td><td>44,313</td><td>84,247</td><td>88,942</td><td>83,334</td></tr><tr><td>Provision for credit losses</td><td>1,545</td><td>1,420</td><td>2,275</td><td>3,556</td><td>8,169</td></tr><tr><td>Noninterest expense</td><td>29,513</td><td>40,779</td><td>75,117</td><td>69,214</td><td>72,093</td></tr><tr><td>Income before income taxes</td><td>12,261</td><td>2,114</td><td>6,855</td><td>16,172</td><td>3,072</td></tr><tr><td>Income tax expense</td><td>3,584</td><td>99</td><td>2,022</td><td>4,741</td><td>(1,116)</td></tr><tr><td>Net income</td><td>8,677</td><td>2,015</td><td>4,833</td><td>11,431</td><td>4,188</td></tr><tr><td>Net income applicable to common shareholders</td><td>7,965</td><td>1,521</td><td>3,789</td><td>10,082</td><td>2,760</td></tr><tr><td>Average common shares issued and outstanding (in thousands)</td><td>10,503,379</td><td>10,539,769</td><td>10,527,818</td><td>10,731,165</td><td>10,746,028</td></tr><tr><td>Average diluted common shares issued and outstanding (in thousands)</td><td>11,252,417</td><td>10,599,641</td><td>10,584,535</td><td>11,491,418</td><td>10,840,854</td></tr><tr><td colspan="6">Per common share information:</td></tr><tr><td>Earnings</td><td>\$0.76</td><td>\$0.14</td><td>\$0.36</td><td>\$0.94</td><td>\$0.26</td></tr><tr><td>Diluted earnings</td><td>0.72</td><td>0.14</td><td>0.36</td><td>0.90</td><td>0.25</td></tr><tr><td>Dividends paid</td><td>0.10</td><td>0.02</td><td>0.12</td><td>0.04</td><td>0.04</td></tr></table> <table><tr><th></th><th colspan="2">June 30</th><th colspan="2">December 31</th></tr><tr><th></th><th>2015</th><th>2014</th><th>2014</th><th>2013</th></tr><tr><td colspan="5">(Unaudited)</td></tr><tr><td colspan="5">(Dollars in millions, except percentages)</td></tr><tr><td colspan="5">Balance Sheet (year end):</td></tr><tr><td>Total loans and leases</td><td>\$886,449</td><td>\$911,899</td><td>\$881,391</td><td>\$928,233</td></tr><tr><td>Total assets</td><td>2,149,034</td><td>2,170,557</td><td>2,104,534</td><td>2,102,273</td></tr><tr><td>Total deposits</td><td>1,149,560</td><td>1,134,329</td><td>1,118,936</td><td>1,119,271</td></tr><tr><td>Long-term debt</td><td>243,414</td><td>257,071</td><td>243,139</td><td>249,674</td></tr><tr><td>Total shareholders' equity</td><td>251,659</td><td>237,411</td><td>243,471</td><td>232,685</td></tr><tr><td>Allowance for loan and lease losses as a percentage of total loans and leases outstanding ¹</td><td>1.49 %</td><td>1.75%</td><td>1.65%</td><td>1.90%</td></tr><tr><td>Total ending equity to total ending assets</td><td>11.71 %</td><td>10.94%</td><td>11.57%</td><td>11.07%</td></tr></table>		Six months ended June 30		Year ended December 31				2015	2014	2014	2013	2012	(Unaudited)						Income statement:						(Dollars in millions, except number of shares and per share information)						Interest income	\$25,095	\$25,876	\$50,886	\$55,020	\$57,400	Interest expense	5,156	5,778	10,934	12,755	16,744	Net interest income	19,939	20,098	39,952	42,265	40,656	Noninterest income	23,380	24,215	44,295	46,677	42,678	Total revenue, net of interest expense	43,319	44,313	84,247	88,942	83,334	Provision for credit losses	1,545	1,420	2,275	3,556	8,169	Noninterest expense	29,513	40,779	75,117	69,214	72,093	Income before income taxes	12,261	2,114	6,855	16,172	3,072	Income tax expense	3,584	99	2,022	4,741	(1,116)	Net income	8,677	2,015	4,833	11,431	4,188	Net income applicable to common shareholders	7,965	1,521	3,789	10,082	2,760	Average common shares issued and outstanding (in thousands)	10,503,379	10,539,769	10,527,818	10,731,165	10,746,028	Average diluted common shares issued and outstanding (in thousands)	11,252,417	10,599,641	10,584,535	11,491,418	10,840,854	Per common share information:						Earnings	\$0.76	\$0.14	\$0.36	\$0.94	\$0.26	Diluted earnings	0.72	0.14	0.36	0.90	0.25	Dividends paid	0.10	0.02	0.12	0.04	0.04		June 30		December 31			2015	2014	2014	2013	(Unaudited)					(Dollars in millions, except percentages)					Balance Sheet (year end):					Total loans and leases	\$886,449	\$911,899	\$881,391	\$928,233	Total assets	2,149,034	2,170,557	2,104,534	2,102,273	Total deposits	1,149,560	1,134,329	1,118,936	1,119,271	Long-term debt	243,414	257,071	243,139	249,674	Total shareholders' equity	251,659	237,411	243,471	232,685	Allowance for loan and lease losses as a percentage of total loans and leases outstanding ¹	1.49 %	1.75%	1.65%	1.90%	Total ending equity to total ending assets	11.71 %	10.94%	11.57%	11.07%
	Six months ended June 30		Year ended December 31																																																																																																																																																																																															
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Interest income	\$25,095	\$25,876	\$50,886	\$55,020	\$57,400																																																																																																																																																																																													
Interest expense	5,156	5,778	10,934	12,755	16,744																																																																																																																																																																																													
Net interest income	19,939	20,098	39,952	42,265	40,656																																																																																																																																																																																													
Noninterest income	23,380	24,215	44,295	46,677	42,678																																																																																																																																																																																													
Total revenue, net of interest expense	43,319	44,313	84,247	88,942	83,334																																																																																																																																																																																													
Provision for credit losses	1,545	1,420	2,275	3,556	8,169																																																																																																																																																																																													
Noninterest expense	29,513	40,779	75,117	69,214	72,093																																																																																																																																																																																													
Income before income taxes	12,261	2,114	6,855	16,172	3,072																																																																																																																																																																																													
Income tax expense	3,584	99	2,022	4,741	(1,116)																																																																																																																																																																																													
Net income	8,677	2,015	4,833	11,431	4,188																																																																																																																																																																																													
Net income applicable to common shareholders	7,965	1,521	3,789	10,082	2,760																																																																																																																																																																																													
Average common shares issued and outstanding (in thousands)	10,503,379	10,539,769	10,527,818	10,731,165	10,746,028																																																																																																																																																																																													
Average diluted common shares issued and outstanding (in thousands)	11,252,417	10,599,641	10,584,535	11,491,418	10,840,854																																																																																																																																																																																													
Per common share information:																																																																																																																																																																																																		
Earnings	\$0.76	\$0.14	\$0.36	\$0.94	\$0.26																																																																																																																																																																																													
Diluted earnings	0.72	0.14	0.36	0.90	0.25																																																																																																																																																																																													
Dividends paid	0.10	0.02	0.12	0.04	0.04																																																																																																																																																																																													
	June 30		December 31																																																																																																																																																																																															
	2015	2014	2014	2013																																																																																																																																																																																														
(Unaudited)																																																																																																																																																																																																		
(Dollars in millions, except percentages)																																																																																																																																																																																																		
Balance Sheet (year end):																																																																																																																																																																																																		
Total loans and leases	\$886,449	\$911,899	\$881,391	\$928,233																																																																																																																																																																																														
Total assets	2,149,034	2,170,557	2,104,534	2,102,273																																																																																																																																																																																														
Total deposits	1,149,560	1,134,329	1,118,936	1,119,271																																																																																																																																																																																														
Long-term debt	243,414	257,071	243,139	249,674																																																																																																																																																																																														
Total shareholders' equity	251,659	237,411	243,471	232,685																																																																																																																																																																																														
Allowance for loan and lease losses as a percentage of total loans and leases outstanding ¹	1.49 %	1.75%	1.65%	1.90%																																																																																																																																																																																														
Total ending equity to total ending assets	11.71 %	10.94%	11.57%	11.07%																																																																																																																																																																																														

¹ Outstanding loan and lease balances and ratios do not include loans accounted for under the fair value option.

There has been no material adverse change in the prospects of BAC and its subsidiaries on a consolidated basis since 31 December 2014. There has been no significant change in the financial or trading position of BAC and its subsidiaries on a consolidated basis since 30 June 2015.]

B.19 (B.13)	Recent events	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [Not applicable; there have been no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.]
B.19 (B.14)	Dependence upon other members of the Guarantor's group	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [Please refer to B.19 (B.5) above. BAC, as the parent company, depends on dividends, distributions and other payments from its banking and various non-bank subsidiaries to fund dividend payments on its common stock and preferred stock and to fund all payments on its other obligations, including debt obligations. There are legal and other limitations on BAC's ability to utilise liquidity from one legal entity to satisfy the liquidity requirements of another, including the parent company.]
B.19 (B.15)	Principal activities	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [Through its banking and various non-bank subsidiaries throughout the United States and in international markets, BAC provides a diversified range of banking and nonbank financial services and products through five business segments: (1) <i>Consumer Banking</i> , (2) <i>Global Wealth & Investment Management</i> , (3) <i>Global Banking</i> , (4) <i>Global Markets</i> and (5) <i>Legacy Assets & Servicing</i> , with the remaining operations recorded in <i>All Other</i> .]
B.19 (B.16)	Ownership and control	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [BAC is not directly or indirectly owned or controlled by any other corporation.]
B.19 (B.17)	Ratings	[Not Applicable; the Secured W&C Instruments are not guaranteed.] [As at the date of this Base Prospectus, BAC's long-term senior debt is rated Baal (Stable) by Moody's Investors Service, Inc. (" Moody's "), A- (Negative) by Standard & Poor's Financial Services LLC (" S&P ") and A (Stable) by Fitch Ratings, Inc. (" Fitch ").]
SECTION C – INSTRUMENTS		
C.1	The Instruments	[Cash settled Instruments] [Cash settled and/or physical delivery Instruments] comprised of [Share Linked Instruments] [and] [Index Linked Instruments] [and] [GDR/ADR Linked Instruments] [and] [Fund Linked Instruments]/[<i>Insert if Instruments are linked to a basket comprising any combination of the foregoing</i>] (" Hybrid Basket Linked Instruments "). [insert title of instruments] ("Instruments"). - ISIN: [●].
C.2	Currency	The currency of the Instruments will be [●].
C.5	Restrictions on free transferability	[<i>Insert for Notes and Certificates</i>] [The Instruments may not be legally or beneficially owned by any United States Person at any time nor offered, sold, resold, traded, pledged, exercised, settled, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person. " United States Person " means a person which is a "U.S. person" for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended, or a "United States person" for the purposes of the U.S. Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulations. The Instruments may not be acquired by, on behalf of, or with the assets of any plans subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, other than certain insurance company general accounts.] [<i>Insert for Warrants</i>] [Any reoffers, resales, trades, pledges, transfers or deliveries of Warrants, or any part thereof, offered and sold in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the " Securities Act "), will only be made to or through the Issuer or the Dealer in the United States or to, or for the account or benefit of, a United States Person that is a "qualified institutional buyer" for the purposes of Rule 144A who also is a "qualified purchaser" for the purposes of the U.S. Investment Company Act of 1940, as amended, and who, as a condition to any such reoffer, resale, trade, pledge, transfer or delivery, will enter into, and remain in compliance with, an Investor Representation Letter executed for the benefit of the Dealer, the Issuer and the Guarantor (together with their

C.8	respective affiliates and any persons controlling, controlled by or under common control with such Dealer, Issuer and Guarantor). "United States Person" means a person which is a "U.S. person" for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended, or a "United States person" for the purposes of the U.S. Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulations. Any reoffers, resales, trades, pledges, transfers or deliveries of the Warrants or any part thereof, offered and sold pursuant to Regulation S of the Securities Act will only be made outside the United States and to, or for the account or benefit of, non-United States Persons in accordance with Regulation S.] The Instruments may not be offered or sold in any jurisdiction in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer or sale. Rights attached to the Instruments including ranking and limitations to rights • Rights: The Instruments give the right to each holder of Instruments (a "Holder") to receive a potential return on the Instruments, together with certain ancillary rights such as the right to receive notice of certain determinations and events and to vote on future amendments. • Ranking: The Instruments constitute direct, unsubordinated, unconditional and [un]secured obligations of [the Issuer][MLICo.] and rank equally among themselves and rank equally (subject to such exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and [un]secured obligations of [the Issuer][MLICo.]. • Secured W&C Instruments: [Not applicable. The W&C Instruments are not secured.] [The W&C Instruments are "Secured W&C Instruments", in respect of which security has been created by MLI, as the "Collateral Provider" (the "Chargor") over the Collateral Assets (as defined below) in favour of The Bank of New York Mellon as the "Security Agent" to hold on behalf of the Holders of Secured W&C Instruments and certain other "Secured Parties" under a New York law governed Security Agency Agreement. The Collateral Assets will be held in a segregated "Collateral Account" with The Bank of New York Mellon, London Branch as "Custodian" or, potentially, in an account with a subcustodian or other third party selected by the Custodian. Provision of Collateral and Collateral Monitoring: On the issue date of the Secured W&C Instruments, the Collateral Provider will deposit sufficient Collateral Assets in the Collateral Account such that the Collateral Test is satisfied on that date. The Collateral Provider may be required to deliver additional Collateral Assets to ensure that the Collateral Test is satisfied on each subsequent Collateral Test Date. On each Collateral Test Date, The Bank of New York Mellon, London Branch as the "Collateral Agent" will verify that the Collateral Test is satisfied and will notify the Collateral Provider if the Collateral Test is not satisfied. Collateral Test: The Collateral Test requires that on each Collateral Test Date [: • the aggregate nominal amount [(expressed in [●])] of the Static Collateral Assets held in the Collateral Account on such Collateral Test Date, as determined by the Collateral Agent, is greater than or equal to [●] per cent. of the aggregate Notional Amount of the Secured W&C Instruments held by Holders, as determined by the Collateral Provider; and •] the aggregate [Margin Value] [nominal amount] (expressed in [●]) of the [MTM] Collateral Assets held in the Collateral Account on such Collateral Test Date is greater than or equal to [the [greater][lesser] [of]] [●] per cent. of the [Marked-to-Market Option Value that is attributable to] [aggregate Secured W&C Instrument Market Value of] [and [●] per cent. of the] [aggregate Notional Amount of] the Secured W&C Instruments held by Holders. The Collateral Provider will not hold Collateral Assets in respect of Secured W&C Instruments where it or one of its affiliates is the beneficial owner of such Secured
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W&C Instruments.

[MTM] Collateral Assets may be withdrawn from the Collateral Account or substituted with alternative [MTM] Collateral Assets by the Collateral Provider, provided that the Collateral Test continues to be satisfied. [Static Collateral Assets may not be withdrawn from the Collateral Account or substituted with alternative Static Collateral Assets.]

Defined terms used above:

"Collateral Test Date" means the issue date and each London banking day on which the London offices of the Collateral Agent are open during the tenor of the Secured W&C Instruments.

"Margin Value" means the market value (or, if cash, face value) of the relevant [MTM] Collateral Asset as determined by the Collateral Agent, divided by the relevant Margin Percentage applicable to that [MTM] Collateral Asset specified in the table below.]

"Marked-to-Market Option Value" means the market value on the relevant date of the option (the **"Option"**) entered into by the Collateral Provider or its affiliate with a market counterparty to hedge that part of the Issuer's payment obligations under one or more series of Secured W&C Instruments that does not relate to the Notional Amount of such Secured W&C Instruments. The Marked-to-Market Option Value is determined by MLI as the **"Secured W&C Instruments Valuation Agent"** on the basis of such valuation method as it may determine in its discretion, acting in good faith and in a commercially reasonable manner.]

"Secured W&C Instrument Market Value" means the market value on the relevant date of a Secured W&C Instrument, as determined by MLI as the **"Secured W&C Instruments Valuation Agent"** on the basis of such valuation method as it may, acting in good faith and in a commercially reasonable manner, determine in its sole and absolute discretion.]

Collateral Assets: The payment [and delivery] obligations of the Issuer under the Secured W&C Instruments will be secured by [MTM] Collateral Assets [and Static Collateral Assets]. [

MTM Collateral Assets:] The [MTM] Collateral Assets will comprise cash of any currency accepted for deposit by the Collateral Agent and assets that satisfy the Eligibility Criteria listed in any of the rows in the table below:

Eligibility Criteria	Margin Percentage
[Debt][equity] securities that satisfy all of the following characteristics: • [the securities have the following ISIN(s): [•]][:] • [the issuer of such securities operates in any of the following industry sectors: [aerospace and defense;] [automobile;] [banking;] [beverage, food and tobacco;] [buildings and real estate;] [chemicals, plastics and rubber;] [containers, packaging and glass;] [personal and non durable consumer products (manufacturing only);] [diversified/conglomerate manufacturing;] [diversified/conglomerate service;] [diversified natural resources, precious metals;] [ecological;] [electronics;] [finance;] [farming and agriculture;] [grocery;] [healthcare, education and childcare;] [home and office furnishings, housewares and durable consumer products;] [hotels, motels, inns and gaming;] [insurance;] [leisure, amusement, entertainment;] [machinery (non-agriculture, non-construction, non-electronic);] [mining, steel, iron and non precious metals;] [oil and gas;] [personal, food and miscellaneous;] [printing and publishing;] [cargo transport;] [retail stores;] [telecommunications;] [textiles and leather;] [personal transportation;] [utilities;] [broadcasting and entertainment;] [sovereign and supranational]][:]	[•]

	• [the issuer of such securities is: [•]][:] • [the issuer of such securities is incorporated in any of the following jurisdictions: [•]][:] • [the issuer of such securities has the following credit ratings: [•]][:] • [the aggregate amount outstanding in respect of such securities is [not less than [•]] [and not greater than [•]][:] • [such securities are denominated in one of the following currencies: [•]][:] • [such securities are eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem: [•]][:] • [such securities are [senior][subordinated] debt obligations of the issuer;][:] • [such securities are listed on [any exchange] [the following exchanges: [•]][:] • [the time remaining to maturity of such securities is not less than [•]] and/or not greater than [•]][:] • [when taken together with the other [MTM] Collateral Assets in the Collateral Account, that satisfy the Eligibility Criteria specified in this row, such [MTM] Collateral Assets would not comprise more than [•] per cent. of the [MTM] Collateral Assets held in the Collateral Account][.]	
<i>[Repeat rows as necessary]</i> [Static Collateral Assets: The Static Collateral Assets will comprise debt securities issued by [●] that have the following ISIN: [●] and debt securities that satisfy the Eligibility Criteria listed in any of the rows in the table above.] Enforcement of security: The Security Agent will enforce the security over the Collateral Assets upon receipt of a notice (an "Acceleration Instruction") from the relevant instrument agent confirming that it has received acceleration notices specifying that a Secured W&C Instrument Event of Default (which has not been waived by the Holders or cured by the Issuer) has occurred and is continuing from Holder(s) of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of such Secured W&C Instruments (excluding Secured W&C Instruments held by the Issuer or its affiliates). The Security Agent shall be under no obligation to take any action to liquidate or realise the Collateral Assets if: • in the event that it is directed by the requisite percentage of Holders of the Secured W&C Instruments to effect such liquidation or realisation in accordance with the exact provisions of an Acceleration Instruction (the form of which is scheduled to the Agency Agreement) it reasonably believes that it would not be able to recover amounts incurred by it in respect of any exceptional duties; or • in the event that it is directed by the requisite percentage of Holders of the Secured W&C Instruments to effect such liquidation and realisation other than in accordance with the exact provisions of an Acceleration Instruction (the form of which is scheduled to the Agency Agreement) it has not been indemnified and/or secured and/or prefunded to its satisfaction. No Holder will be entitled to enforce the security unless the Security Agent fails to do so within a reasonable time or is prevented from enforcing the security by a court order. Holders are not entitled to enforce the security in the United Kingdom. On enforcement of the security over the Collateral Assets, the Secured W&C Instruments will be cancelled and each Holder will be entitled to receive [an amount		

equal to the Early Settlement Amount] [and] [delivery of the Entitlement], subject to there being sufficient [proceeds of the][Collateral Assets] remaining after payment of the Secured Parties ranking higher than the Holders in the Order of Priority.

Secured W&C Instrument Event of Default: Very broadly, the occurrence of one or more of the following:

- the Issuer fails to pay an amount or make a delivery due under the Secured W&C Instruments and a 30 day grace period has expired or it fails to perform any other term of the Secured W&C Instruments and a 90 day grace period has expired;
- the bankruptcy or insolvency of the Issuer;
- the Collateral Provider fails to deliver additional Collateral Assets following notification of a shortfall by the Collateral Agent and such failure results in the Collateral Test not being satisfied for one Collateral Business Day; or
- the Issuer and/or Collateral Provider fail to perform their obligations under the Security Agency Agreement or the Deed of Charge relating to such Secured W&C Instruments or challenge the validity of those documents, or any of the Security Agency Agreement, relevant Deed of Charge or the security created by the Collateral Provider terminates or is no longer in full force and effect.

Realisation of Collateral Assets and distribution of proceeds:

An entity appointed by the Security Agent as disposal agent (the "**Disposal Agent**") will (acting on behalf of and on the instruction of the **Security Agent**) sell (and, in certain circumstances, may accept the first available price for) [the] [MTM] Collateral Assets [sufficient to ensure payment of any amounts payable to the Secured Parties ranking above the Holders] and will apply the proceeds in the following manner (the "**Order of Priority**"):

- firstly, in setting aside amounts which the Security Agent deems necessary to pay all liabilities of the Security Agent and the Disposal Agent incurred in performing duties which are of an exceptional nature or otherwise outside the scope of the duties of the Security Agent under the Security Agency Agreement, Deed of Charge and the Secured W&C Instruments Conditions;
- secondly, in payment of all other liabilities and remuneration of the Security Agent and the Disposal Agent (including, taxes [,] [and] the costs of realising security [and delivery of the Entitlement]);
- [thirdly,] [in payment of any amounts due to the Collateral Agent by the Collateral Provider;] [and]
- [fourthly,] [in payment of any other amounts owed to any other creditors;]
[Insert this final bullet point if Standard Order of Priority is not applicable]

Following such payments, the remaining proceeds will be available to meet the claims of Holders. The obligations of the Issuer are limited in recourse to the Collateral Assets held in the Collateral Account and therefore Holders will have no further claim against the Issuer or the Collateral Provider if there are insufficient proceeds to meet Holders' claims after payment of the Secured Parties ranking higher than the Holders in the Order of Priority. [[The Disposal Agent will (acting on behalf of and at the instruction of the Security Agent) also sell the Static Collateral Assets and] [I][f the proceeds of sale of the MTM Collateral Assets are insufficient to pay all amounts owing to the Secured Parties ranking higher than the Holders in the Order of Priority, the Disposal Agent will (acting on behalf of and at the instruction of the Security Agent) [sell Static Collateral Assets sufficient to] pay the remaining amounts owing to such Secured Parties [using the proceeds of the sale of the Static Collateral Assets].]

Determination of the Early Settlement Amount

The Early Settlement Amount payable to Holders in respect of each cancelled Secured W&C Instrument will be determined by the Secured W&C Instruments

Valuation Agent as the greater of zero and [the sum of:

-] the lesser of (i) an amount equal to the portion of the Marked-to-Market Option Value that relates to such Secured W&C Instrument, and (ii) such Secured W&C Instrument's share of the remaining proceeds of realisation of the MTM Collateral Assets following payment of the Secured Parties ranking above Holders in the Order of Priority [(plus any Excess Static Collateral Enforcement Proceeds)], minus such Secured W&C Instrument's share of the costs incurred by the Issuer or any of its affiliates in connection with terminating the Option [and any underlying hedging arrangements (including any costs of funding in respect of such hedging arrangements) in respect of the Notional Amount of the Secured W&C Instruments and/or Static Collateral Assets] ; plus
- the lesser of (i) the Notional Amount of such Secured W&C Instrument and (ii) such Secured W&C Instrument's share of the remaining proceeds of realisation of the Static Collateral Assets following payment of the Secured Parties ranking above Holders in the Order of Priority, minus such Secured W&C Instrument's share of the costs incurred by the Issuer or any of its affiliates in connection with terminating any underlying hedging arrangements (including any costs of funding in respect of such hedging arrangements) in respect of the Notional Amount of the Secured W&C Instruments and/or Static Collateral Assets (any excess of such remaining proceeds of realisation of the Static Collateral Assets over such costs of the Issuer or any of its affiliates, the "**Excess Static Collateral Enforcement Proceeds**")]

[the fair market value of such Secured W&C Instrument, less the cost to the Issuer and/or its affiliates or agents of unwinding any underlying related hedging arrangements (including the cost of funding in respect of such hedging arrangements) in respect of such Secured W&C Instrument, all as determined by the Secured W&C Instruments Valuation Agent in its sole and absolute discretion.] [Any excess of the remaining proceeds of realisation of the [MTM] Collateral Assets after payment of the Secured Parties ranking above Holders in the Order of Priority over the Early Settlement Amount will not be distributed to Holders.]

[Each Holder is entitled to receive up to the greater of (i) [●] per cent. of the Notional Amount of such Secured W&C Instrument and (ii) the Early Settlement Amount. Any excess of the remaining proceeds of realisation of the Collateral Assets after payment of the Secured Parties ranking above Holders in the Order of Priority over such amount will not be distributed to Holders.]]

[Determination of the Entitlement

The Disposal Agent (acting on behalf of and at the instruction of the Security Agent) will procure the delivery of the Entitlement and payment of the Fractional Cash Amount (which may be zero) to the relevant Holder.

Defined terms used above:

"Early Settlement Amount" means the fair market value of such Secured W&C Instrument, less the cost to the Issuer and/or its affiliates or agents of unwinding any underlying related hedging arrangements (including the cost of funding in respect of such hedging arrangements) in respect of such Secured W&C Instrument, all as determined by the Secured W&C Instruments Valuation Agent in its sole and absolute discretion.]

"Entitlement" means, in respect of each Holder, the aggregated Unrounded Collateral Assets Entitlement [(excluding any cash held in the Collateral Account)] in respect of each Secured W&C Instrument held, rounded down to the nearest tradeable unit for each type of [Static] Collateral Asset. Where "Unrounded Collateral Assets Entitlement" means, in respect of a Secured W&C Instrument, [a nominal amount of Static Collateral Assets equal to the Remaining Static Collateral Assets, divided by the number of outstanding Secured W&C Instruments (other than Secured W&C Instruments held by the Issuer or its affiliates)] [a quantity of Collateral Assets with a market value (as determined by the Secured W&C Instruments Valuation Agent immediately prior to enforcement) equal to the lesser of (i) the market value of such Secured W&C Instrument's share of the Remaining

Collateral Assets and (ii) [the greater of (a) [●] per cent. of the Notional Amount of such Secured W&C Instrument and (b)] the Early Settlement Amount].

"Fractional Cash Amount" means an amount equal to the relevant Holder's share of [(a)] the proceeds of realisation of the number or fraction of [Static] Collateral Assets which it is not possible to deliver to such Holder following rounding[, and (b) any Remaining Collateral Assets comprising cash].

"Remaining [Static] Collateral Assets" means the remaining [Static] Collateral Assets in the Collateral Account after [using any cash held in the Collateral Account and/or] realising any [Static] Collateral Assets required to pay the liabilities or costs of any Secured Parties ranking above Holders in the Order of Priority [and any costs incurred by the Issuer or any of its affiliates in connection with terminating the Option and any underlying hedging arrangements (including any costs of funding in respect of such hedging arrangements) in respect of the Notional Amount of the Secured W&C Instruments and/or Static Collateral Assets (to the extent such liabilities or costs exceed the proceeds of realisation of the MTM Collateral Assets)].

Collateral Disruption Events:

If a Collateral Disruption Event occurs or is continuing, the Issuer may in its **discretion** elect to cancel each Secured W&C Instrument by payment of the [Early Settlement Amount] [Early Settlement Amount (CDE)] [and delivery of the Entitlement (CDE)].

Collateral Disruption Event: A Collateral Disruption Event will occur if, **amongst** other things[:

-] the Collateral Provider and/or its affiliates considers that it is unable to, or would incur a materially increased cost if it were to, enter into or maintain hedging arrangements in relation to the Collateral Assets[.];
- certain events occur which are regarded as indicative of a default or material decline in the creditworthiness of the issuer of the Static Collateral Assets, including if any payments in respect of the Static Collateral Assets are accelerated, the issuer of the Static Collateral Assets fails to pay any amount when due or a restructuring which directly or indirectly results from a deterioration in the creditworthiness of the issuer of the Static Collateral Assets.]

[Determination of the Early Settlement Amount (CDE)]

The Early Settlement Amount (CDE) payable to Holders in respect of each cancelled Secured W&C Instrument will be the greater of zero and [the sum of:

-] an amount equal to the portion of the Marked-to-Market Option Value that relates to such Secured W&C Instrument, minus such Secured W&C Instrument's share of the costs incurred by the Issuer or any of its affiliates in connection with (i) early cancellation of the Secured W&C Instruments, including taxes, costs of realising the relevant Collateral Assets [and delivery of the Entitlement (CDE)] and (ii) terminating the Option [and any underlying hedging arrangements (including any costs of funding in respect of such hedging arrangements) in respect of the Notional Amount of the Secured W&C Instruments and/or Static Collateral Assets]] [; plus
- the lesser of (i) the Notional Amount of such Secured W&C Instrument and (ii) such Secured W&C Instrument's share of the proceeds of realisation of the Static Collateral Assets, minus such Secured W&C Instrument's share of the costs incurred by the Issuer or any of its affiliates in connection with terminating any underlying hedging arrangements (including any costs of funding in respect of such hedging arrangements) in respect of the Notional Amount of the Secured W&C Instruments and/or Static Collateral Assets.]

[Determination of the Entitlement (CDE)]

The Issuer will procure the delivery of the Entitlement (CDE) and payment of the

		Fractional Cash Amount (CDE) (which may be zero) to the relevant Holder. Defined terms used above: "Entitlement (CDE)" means, in respect of each Holder, the aggregated Unrounded Collateral Assets Entitlement (CDE) in respect of each Secured W&C Instrument held, rounded down to the nearest tradeable unit. Where "Unrounded Collateral Assets Entitlement (CDE)" means, in respect of a Secured W&C Instrument, a nominal amount of Static Collateral Assets equal to the Remaining Static Collateral Assets (CDE), divided by the number of outstanding Secured W&C Instruments (other than Secured W&C Instruments held by the Issuer or its affiliates). "Fractional Cash Amount" means an amount equal to the relevant Holder's share of the proceeds of realisation of the number or fraction of Static Collateral Assets which it is not possible to deliver following rounding. "Remaining Static Collateral Assets (CDE)" means the remaining Static Collateral Assets in the Collateral Account after realising any Static Collateral Assets required to pay any costs incurred by the Issuer or any of its affiliates in connection with terminating the Secured W&C Instruments (including taxes, costs of realising the relevant Collateral Assets and delivery of the Entitlement (CDE)) and the Option and any underlying hedging arrangements (including any costs of funding in respect of such hedging arrangements) in respect of the Notional Amount of the Secured W&C Instruments and/or Static Collateral Assets (to the extent such costs exceed the aggregate of each portion of the Marked-to-Market Option Value that relates to such Secured W&C Instruments)).] Limitations to rights: <i>[Insert if Cash Settled W&C Instruments or Cash Settled Notes]</i> [Investors in the Instruments do not have any rights in respect of [the/any] underlying asset and shall have no right to call for [the/any] underlying asset to be delivered to them.] The conditions of the Instruments contain provisions for calling meetings of Holders to consider matters affecting their interests generally and these provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.
C.9	Rights attached to the Instruments including ranking and any limitation to those rights, interest provisions, yield and representative of the holders	<i>[Insert C.9 if Annex V or Annex XIII is applicable]</i> [Interest] The Instruments [bear interest at a fixed rate] [floating rate] [and] [have an interest amount or rate determined or calculated by reference to [an Index] [a/a basket of] Share[s] [(including GDRs and/or ADRs)]]. <i>[If Interest Basis is "Fixed Rate" and "Fixed Coupon Amount" is applicable]</i> For each Note and each Fixed Interest Payment Date, the Fixed Coupon Amount shall be payable for each Fixed Interest Period ending on (but excluding) the Scheduled Fixed Interest Payment Date on which such Fixed Interest Payment Date is scheduled to fall <i>[insert if any Broken Amount is payable]</i> [and the Broken Amount shall be payable for any period other than the Fixed Interest Period]. Defined terms used above: "Broken Amount" means, for the Fixed Interest Payment Date scheduled to fall on [●], [●] per Calculation Amount. "Calculation Amount" means [●]. "Fixed Coupon Amount" means, for [the/each] Fixed Interest Payment Date, [●] per Calculation Amount.] "Fixed Interest Payment Date" means each Scheduled Fixed Interest Payment Date [and each adjusted in accordance with the [Floating Rate Convention] [Following] [Modified Following] [Preceding] Business Day Convention]. "Fixed Interest Period" means [(i)] the period commencing on, and including, a Scheduled Fixed Interest Payment Date (or the Interest Commencement Date) and ending on, but excluding, the next (or first) Scheduled Fixed Interest Payment Date [and (ii) each successive period commencing on, and including, a

Scheduled Fixed Interest Payment Date and ending on, but excluding, the next following Scheduled Fixed Interest Payment Date].

"Interest Commencement Date" means [●].

"Scheduled Fixed Interest Payment Date" means [each of] [●], [●] and [●].]

[If Interest Basis is "Fixed Rate" and no "Fixed Coupon Amount" is applicable]

The interest payable on the Instruments shall be calculated in respect of any interest period by applying the Rate of Interest to

*[Insert in the case of Fixed Rate Notes which are represented by a Global Note]
[the aggregate outstanding nominal amount of the Instruments]*

[Insert in the case of Fixed Rate Notes in definitive form] [the Calculation Amount]

and multiplying such product by the Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.]

Defined terms used above:

[Insert Calculation Amount, Fixed Interest Payment Date, Fixed Interest Period, Interest Commencement Date and Scheduled Fixed Interest Payment Date from above, as applicable]

"Day Count Fraction" means [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)].

"Rate of Interest" means [●] per cent. per annum.

"Specified Currency" means [●].]

[If Interest Basis is Floating Rate] Each Note bears interest at the rate of interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear in respect of each Interest Period on

[if Interest Period is "Unadjusted"] [the Interest Payment Date scheduled to fall on the Scheduled Interest Payment Date on which such Interest Period ends (but which is not included in such Interest Period)]

[if Interest Period is "Adjusted"] [the Interest Payment Date on which such Interest Period ends (but which is not included in such Interest Period)].

The rate of interest for each Interest Period will be the

[If ISDA Determination applies] [ISDA Rate [[plus] [minus] the Margin].]

[If Screen Rate Determination applies]

[(i) the offered quotation; or (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate on the applicable Interest Determination Date [[plus] [minus] the Margin.]]

Defined terms used above:

[Insert Calculation Amount, Interest Commencement Date and Scheduled Interest Payment Date from above as applicable]

"Designated Maturity" means [●] month[s].]

"Floating Rate Option" means *[insert relevant Floating Rate Option from 2006 ISDA Definitions].*

"Interest Determination Date" means each of [●], [●] [and] [●].]

"Interest Payment Date" means [●] [and each adjusted in accordance with the [Floating Rate Convention] [Following] [Modified Following] [Preceding]

Business Day Convention].

"Interest Period" means the period commencing on, and including, an Interest Payment Date (or [●] (the **"Interest Commencement Date"**)) and ending on, but excluding, the next (or first) Interest Payment Date), and *[if Interest Period for Floating Rate Notes is "Adjusted"]* [each Interest Period shall commence on or end on, as the case may be, the relevant Interest Payment Date after all applicable adjustments to such Interest Payment Date pursuant to the conditions of the Instruments] *[if Interest Period for Floating Rate Notes is "Unadjusted"]* [each Interest Period shall commence on or end on, as the case may be, the date on which the relevant Interest Payment Date is scheduled to fall, disregarding all applicable adjustments to such Interest Payment Date pursuant to the conditions of the Instruments].

"ISDA Rate" means a rate equal to the Floating Rate Option with a Designated Maturity in respect of the Reset Date.

"Margin" means [●].

"Reference Rate" means the [[●]-month] [London inter-bank offered rate for deposits in Sterling] [Hong Kong inter-bank offered rate for deposits in Hong Kong dollars] [Euro-zone inter-bank offered rate for deposits in euro] [Stockholm inter-bank offered rate for deposits in Swedish Krona] [Singapore inter-bank offered rate for deposits in Singapore dollars] [Tokyo inter-bank offered rate for deposits in Japanese Yen] [London inter-bank offered rate for deposits in U.S. dollars] [Johannesburg inter-bank agreed rate for deposits in South African Rand].

"Reset Date" means

[if Floating Rate Option is based on LIBOR or EURIBOR] [the first day of the relevant Interest Period]

[if Floating Rate Option is not based on LIBOR or EURIBOR] [●].

"Scheduled Interest Payment Date" means [each of] [●], [●] [and] [●].

[if any Maximum or Minimum Rate of Interest is applicable] [If rate of interest in respect of an Interest Period determined in accordance with the above provisions is [less than the Minimum Rate of Interest] [greater than the Maximum Rate of Interest], the Rate of Interest for such Interest Period shall be such [Minimum Rate of Interest] [Maximum Rate of Interest].]

- **Redemption**

[The maturity date for the Instruments shall be [●].]

[Unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer on the maturity date at [●] per Calculation Amount.]

- **Indication of Yield**

[The yield is calculated at *[insert the Issue Date of Instruments]* on the basis of the Issue Price (of [●]). It is not an indication of future yield.]

[The yield is [●].]

- **Representative of holders of Instruments**

[Not applicable; the Issuer has not appointed any person to be a representative of the holders of Instruments.]

[(Delete if the W&C Instruments are not secured) The Security Agent has been appointed to hold the security created in respect of the Collateral Assets on behalf of the Holders of the W&C Instruments and the other Secured Parties under a New York law governed Security Agency Agreement.]]

C.10 **Derivative component in interest payments**

[Insert C.10 if Annex V or Annex XII is applicable]

[Please refer to C.9 above and C.18 below.]

[Not applicable: there is no derivative component in interest payments made in

		respect of the Instruments.]
		[Not applicable: no interest is payable on the Instruments].
C.11	Admission to trading	<i>[Insert C.11 if Annex V or Annex XII is applicable]</i> [Admitted to trading on the Regulated Market of [●] (which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC)).] / [Not applicable; the Instruments will not be listed or admitted to trading on any exchange.]
C.15	Effect of underlying instrument on value of investment	<i>[Insert C.15 if Annex XII is applicable]</i> The amount payable on the Instruments will depend on the value of the underlying asset[s]. <i>[Insert for W&C Instruments and if "Mandatory Early Exercise" is applicable]</i> [If the Instruments are exercised early following a Mandatory Early Exercise Event, the Mandatory Early Exercise Cash Settlement Amount payable on the Mandatory Early Exercise Cash Settlement Date will be determined in accordance with C.18 of this Summary.] <i>[Insert for W&C Instruments]</i> [If the Instruments are not exercised and cancelled prior to the settlement date, then the cash settlement amount payable on the settlement date will be determined in accordance with C.18 of this Summary.] <i>[Insert for Notes and if "Automatic Early Redemption" is applicable]</i> [If the Instruments are redeemed early following an Automatic Early Redemption Event, the Automatic Early Redemption Amount payable on the Automatic Early Redemption Date will be determined in accordance with C.18 of this Summary.] <i>[Insert for Notes]</i> [If the Instruments are not previously redeemed or purchased and cancelled prior to the maturity date, then Instruments will be redeemed in accordance with C.18 of this Summary.] [Please refer to C.18 below.]
C.16	Settlement date/maturity date	<i>[Insert C.16 if Annex XII is applicable]</i> The [settlement] [maturity] date of the series of Instruments will be [●], subject to adjustment in accordance with the conditions of the Instruments.
C.17	Settlement	<i>[Insert C.17 if Annex XII is applicable]</i> Settlement of the series of Instruments shall take place through [Euroclear Bank SA/NV] [and] [Clearstream Banking, société anonyme] [Clearstream Banking AG, Frankfurt am Main] [DTC] [Euroclear Sweden, Klarabergsviadukten 63, Box 191, SE-101 23 Stockholm, Sweden] [Euroclear Finland, Ltd] [Euroclear UK & Ireland Limited].
C.18	Return on the Instruments	<i>[Insert C.18 if Annex XII is applicable]</i> • The return on the Instruments will derive from: • [the payment on the relevant payment date(s) of an [Additional Amount] / [Interest Amount]]; • the potential payment of: • <i>[Insert for W&C Instruments]</i> [(i) a Mandatory Early Exercise Cash Settlement Amount following exercise and cancellation of the Instruments prior to the scheduled settlement date due to the occurrence of a "Mandatory Early Exercise Event" (as described below)] [or (ii)] an early settlement amount upon an unscheduled early exercise and cancellation of the Instruments (as described in "Unscheduled early exercise and cancellation" below);] • <i>[Insert for Notes]</i> [(i) an Automatic Early Redemption Amount following redemption of the Instruments prior to scheduled maturity due to the occurrence of an "Automatic Early Redemption Event" (as described below)] [or (ii)] an early redemption amount upon an unscheduled early redemption of the Instruments (as described in "Unscheduled early

redemption" below);]

- if the Instruments are not previously [exercised and cancelled/ redeemed], or purchased and cancelled, the payment of the **[Final Redemption]** **[Cash Settlement] Amount** on the scheduled [maturity] [exercise and settlement] of the Instruments [and/or delivery of the Entitlement and payment of any Cash Portion].
- *[Insert for W&C Instruments]* **[Unscheduled early exercise and cancellation:** The Instruments may be exercised and cancelled prior to the settlement date at the Issuer's option for taxation reasons, tax compliance reasons, illegality or following certain disruption events or events giving rise to a replacement of a relevant currency with a substitute currency under the conditions of the Instruments. In such case, the amount payable on early exercise and cancellation shall be, for each Instrument, an amount equal to the fair market value of the Instrument taking into account all relevant factors less all costs incurred by the Issuer or any of its affiliates in connection with such early exercise and cancellation.] [The Instruments may also be exercised and cancelled prior to the settlement date at the Issuer's option following the occurrence of a Collateral Disruption Event (as described in C.8 above).]
- *[Insert for Notes]* **[Unscheduled early redemption:** The Instruments may be redeemed prior to the scheduled maturity date for taxation reasons, tax compliance reasons, illegality, following an event of default and acceleration of the Instruments, or, if applicable, following certain disruption events or changes in applicable law or events giving rise to a replacement of a relevant currency with a substitute currency under the conditions of the Instruments. In such case, the amount payable on early redemption shall be, for each Instrument of the Calculation Amount of [●], *[Insert if Market Value less Associated Costs is specified]* [an amount equal to the fair market value of the Instrument taking into account all relevant factors (provided that no account shall be taken of the Issuer's financial condition) less all costs incurred by the Issuer or any of its affiliates in connection with such early redemption] *[insert other amount]*.
- *[Insert for Instruments unless Target Volatility Conditions are applicable]* **[Instruments linked to underlying asset[s]:** The amount payable on the Instruments depends on the value of the underlying asset[s]. **Holders of the Instruments shall have no rights in relation to the underlying asset[s].]**

[Insert if Non-exempt Offer is applicable] [At the commencement of the Offer Period, the [Accrual Level] [Additional Percentage (AP)] [Additional Amount Percentage (AAP)] [Additional Amount Percentage (Target Volatility) (AAP(TV))] [Additional Amount Threshold] [Automatic Early Redemption Trigger] [Automatic Early Redemption Knock-out Price] [Barrier Level] [Basket Weight] [C] [Coupon Strike] [Final Threshold] [Mandatory Early Exercise Trigger] [Maximum Rate of Interest] [Maximum Target Allocation] [Minimum Target Allocation] [Minimum Rate of Interest] [Out Of The Money Level (OTM)] [Participation (P)] [Participation 1 (P1)] [Participation 2 (P2)] [Put Value] [Strike Amount] [v] [Weight_(i)] *[insert any other Specified Product Value which is not determined or fixed at the start of Offer Period]* (each, a / the) "**Specified Product Value**") will not be fixed or determined.

[The/Each] Specified Product Value will be determined [based on market conditions by the Calculation Agent in its sole and absolute discretion (acting in a commercially reasonable manner)] on or around the end of the Offer Period.

*******[Insert relevant Specified Product Value(s)]* is expected to be *[Insert for indicative amount: [insert any indicative amount] / [not more than] [or equal to] [insert maximum indicative amount] / [not less than] [or equal to] [insert minimum indicative amount] but may be different from such indicative [maximum/minimum] amount] OR [Insert for indicative range: [, and shall not be] [more than] [or equal to] [insert maximum indicative amount] [and] [shall not be] [less than] [or equal to] [insert minimum indicative amount]].******* (NB: repeat ** as required)

- *[Insert if "Mandatory Early Exercise" is applicable to W&C Instruments]* **Settlement upon a Mandatory Early Exercise Event:** If, in respect of a Mandatory Early Exercise Reference Date, the Asset Performance of the [Asset]

[Worst Performing Asset] [Asset Basket] on such Mandatory Early Exercise Reference Date is [greater than] [less than] [or equal to] the relevant Mandatory Early Exercise Trigger (in each case, such event being a "**Mandatory Early Exercise Event**" and such date on which the Mandatory Early Exercise Event has occurred, the "**Mandatory Early Exercise Date**" (and subject to adjustment in accordance with the conditions of the Instruments)), the Instruments will be exercised and cancelled and the Mandatory Early Exercise Cash Settlement Amount shall be payable on the Mandatory Early Exercise Cash Settlement Date following such Mandatory Early Exercise Date.

The Mandatory Early Exercise Cash Settlement Amount for each Instrument will be: [insert amount] [zero] [If "**Additional Amount (Mandatory Early Exercise)**" is applicable] [plus, the Additional Amount (Mandatory Early Exercise)].

Defined terms used above:

["**Additional Amount (Mandatory Early Exercise)**"] means an amount calculated by the Calculation Agent in accordance with the following formula:

$$\text{Reference Amount} \times t \times \text{Additional Percentage}$$

["**Additional Percentage**"] means [●] per cent.]

"**Asset**" means [each/the] underlying asset set out under the heading "Underlying Asset" in the table set out at C.20 below [(collectively, the "**Assets**" or "**Asset Basket**")].

["**Asset_(i)**"] means each Asset in an Asset Basket.]

["**Asset Closing Value_(i,j)**"] means the [official closing] [net asset] value of Asset_(i) in respect of any relevant date (j).]

"**Asset Performance**" means, in respect of [Insert if single Asset or Worst of Basket is applicable] [any relevant date and an Asset, the *quotient* of (i) the [official closing] [net asset] value of such Asset on such relevant date, *divided by* (ii) the Initial Value of such Asset.]

[Insert if Basket is applicable] [any relevant date (j) and the Asset Basket, an amount calculated as follows:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Asset Closing Value}_{(i,j)}}{\text{Initial Value}_{(i)}}$$

"**Initial Value**" means, in respect of an underlying asset set out under the heading "Underlying Asset" in the table set out at C.20 below, [the [relevant] [arithmetic mean of the] [official closing] [net asset] value of the underlying asset [on the] [Strike Date] [following [initial] averaging dates: [●], [●] and [●]] as determined by the Calculation Agent] [, being] [the amount set forth against the underlying asset in the column entitled "Initial Value" of the table set out at C.20 below].

["**Initial Value_(i)**"] means the Initial Value of Asset_(i).]

"**Mandatory Early Exercise Cash Settlement Date**" means the day falling on the [tenth] / [●] business day after the Mandatory Early Exercise Date.

"**Mandatory Early Exercise Trigger**" means [in respect of each Mandatory Early Exercise Reference Date, the amount specified in the column entitled "Mandatory Early Exercise Trigger" of the "Mandatory Early Exercise Table" below in the row corresponding to the date (specified in the column entitled "Mandatory Early Exercise Reference Date(s)") on which such Mandatory Early Exercise Reference Date is scheduled to fall] / [●].

"**Mandatory Early Exercise Reference Date**" means [●], [●] and [●] [each date set out under the heading "Mandatory Early Exercise Reference Date(s)" in "Mandatory Early Exercise Table" below], each date subject to adjustment in accordance with the conditions of the Instruments.

["**Reference Amount**"] means [●] per Instrument.]

"**Strike Date**" means [insert date] / [in respect of an Asset_(i), the date set forth against such Asset_(i) in the column entitled "Strike Date" of the table set out at C.20

below], subject to adjustment in accordance with the conditions of the Instruments.

["**t**" means in respect of each Mandatory Early Exercise Reference Date, a value (which may be zero) specified in the column entitled "**t**" of the Mandatory Early Exercise Table below in the row corresponding to the date (specified in the column entitled "Mandatory Early Exercise Reference Date(s)") on which such Mandatory Early Exercise Reference Date is scheduled to fall.]

["**Weight_(i)**" [in respect of Asset_(i), shall have the meaning set forth against such Asset_(i) in the column entitled "Weight_(i)" in the table set out at C.20 below].]

["**Worst Performing Asset**" means, in respect of any relevant day, the underlying asset with the lowest Asset Performance on such day (provided that if two or more Assets have the same lowest Asset Performance on such day, the Calculation Agent shall determine which of such Assets shall be the Worst Performing Asset for such day in its sole and absolute discretion, and such Asset shall be the Worst Performing Asset for such day).]

[Insert table if required]

Mandatory Early Exercise Table		
Mandatory Early Exercise Reference Date(s)	Mandatory Early Exercise Trigger	[t]
[●]	[●]	[●]
[●]	[●]	[●]

[If "Additional Amount" is applicable to W&C Instruments, and neither the LEPW Conditions nor the Target Volatility Conditions are applicable] [**Additional Amount(s)**:]

An "**Additional Amount**" in respect of each Instrument of a series may be payable on each Additional Amount Payment Date in the circumstances described below.

[If "Periodic Additional Amounts" is applicable] [The Additional Amount payable in respect of each Instrument on each Additional Amount Payment Date will be calculated as:

$$\text{Notional Amount per Instrument} \times \text{Additional Amount Rate} \times \text{Additional Amount Rate Day Count Fraction}]$$

Defined terms used above:

[Insert Asset from above, as applicable]

"**Additional Amount Rate**" means [●] per cent. per annum.

"**Additional Amount Rate Day Count Fraction**" means, in respect of an Additional Amount Payment Date, the day count fraction (being [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] applied to the Additional Amount Period corresponding to such Additional Amount Payment Date.

["**Additional Amount Reference Date**" means [each Mandatory Early Exercise Reference Date] / [[each of the following date(s): [●], [●] [and] [●] [Final Reference Date]] / [each date specified in the column entitled "Additional Amount Reference Date(s)" of the "Additional Amount Table" below], each date subject to adjustment in accordance with the conditions of the Instruments].]

"**Additional Amount Payment Date**" means each of the following dates: [●], [●] [and] [●] [settlement date]] / [the tenth business day following [Latest Reference Date in respect of] each Additional Amount Reference Date (other than the Final Additional Amount Reference Date) and the settlement date] / [each date specified in the column entitled "Additional Amount Payment Date(s)" of the "Additional Amount Table" below] *[insert if "Mandatory Early Exercise" is applicable]* [, provided that if the Instruments are automatically exercised on the Mandatory Early Exercise Date as a result of a Mandatory Early Exercise Event occurring, or otherwise, the first Additional Amount Payment Date immediately following the Mandatory Early Exercise Date shall be the final Additional Amount Payment Date for the Instruments (and there shall be no further Additional Amount Payment

Dates)].

"Additional Amount Period" means the period commencing on (and including) the Additional Amount Commencement Date (being [●]) and ending on (but excluding) the first Additional Amount Payment Date and each period commencing on (and including) an Additional Amount Payment Date and ending on (but excluding) the next following Additional Amount Payment Date, in each case, [after all applicable adjustments have been made to such Additional Amount Payment Dates pursuant to the Conditions] / [by reference to the dates on which such Additional Amount Payment Dates are scheduled to fall, disregarding all applicable adjustments to such dates pursuant to the Conditions].

"Final Additional Amount Reference Date" means [the Final Reference Date] / [●] [, subject to adjustment in accordance with the conditions of the Instruments].]

"Final Reference Date" means [●], subject to adjustment in accordance with the conditions of the Instruments.]

"Latest Reference Date" means, in respect of an Additional Amount Reference Date and an Asset Basket, if as a result of such Additional Amount Reference Date not being a [scheduled trading day] [common trading day] [and/or] [scheduled fund redemption valuation date] [common scheduled fund redemption valuation date] [fund redemption valuation date] [common fund redemption valuation date] [●] or the occurrence of a [disrupted day] [and/or] [fund event] for one or more Assets, the Additional Amount Reference Date for two or more Assets falls on different dates, the date corresponding to such Additional Amount Reference Date which is the latest to occur, as determined by the Calculation Agent.]

"Notional Amount per Instrument" means [●].]

[If *"Fixed Additional Amount"* is applicable] The Additional Amount payable in respect of each Instrument on each Additional Amount Payment Date shall be [●] [calculated as follows:

$$\text{Reference Amount} \times \text{Additional Amount Percentage}]$$

Defined terms used above:

[Insert *Additional Amount Payment Date*, *Additional Amount Reference Date*, *Final Additional Amount Reference Date*, *Latest Reference Date* and *Reference Amount* for above, as applicable]

"Additional Amount Percentage" means [●] per cent.]

[If *"Additional Amount Event"* and *"Additional Cumulative Amount"* are applicable] [

- (i) If, in respect of an Additional Amount Reference Date, the Asset Performance of the [Asset] [Worst Performing Asset] [Asset Basket] on such Additional Amount Reference Date is [greater than] [less than] [or equal to] the relevant Additional Amount Threshold (such event, an **"Additional Amount Event"**), then the Additional Amount payable on the Additional Amount Payment Date immediately following such Additional Amount Reference Date (the **"Current Additional Amount Payment Date"**) will be calculated as follows:

$$\text{Reference Amount} \times (\text{Additional Amount Percentage} + \text{Additional Cumulative Percentage}); \text{ or}$$

- (ii) If no Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date, then no Additional Amount will be payable on such Additional Amount Payment Date.

Defined terms used above:

[Insert *Additional Amount Payment Date*, *Additional Amount Reference Date*, *Additional Amount Percentage*, *Asset*, *Asset_(i)*, *Asset Closing Value_(i,j)*, *Asset Performance*, *Final Additional Amount Reference Date*, *Initial Value*, *Initial Value_(i)*, *Latest Reference Date*, *Reference Amount*, *Strike Date*, *Weight_(i)* and *Worst Performing Asset* from above, as applicable]

"Additional Amount Threshold" means [●] / [in respect of each Additional Amount Reference Date, the amount specified in the column entitled "Additional Amount Threshold" of the "Additional Amount Table" in the row corresponding to the date (specified in the column entitled "Additional Amount Reference Date(s)") on which such Additional Amount Reference Date is scheduled to fall].

"Additional Cumulative Percentage" means an amount calculated as the Additional Amount Percentage multiplied by the number of Additional Amount Payment Dates falling prior to the Current Additional Amount Payment Date (but after the most recent Additional Amount Payment Date on which an Additional Amount was paid (if any)) on which no Additional Amount was paid (and the Additional Cumulative Percentage for the Current Additional Amount Payment Date will be zero if there are no Additional Amount Payment Dates falling prior to the Current Additional Amount Payment Date or if an Additional Amount was paid on each Additional Amount Payment Date falling prior to the Current Additional Amount Payment Date).]

[If "Additional Amount Event" and "Additional Non-Cumulative Amount" are applicable]:

- (i) If, in respect of an Additional Amount Reference Date, the Asset Performance of the [Asset] [Worst Performing Asset] [Asset Basket] on such Additional Amount Reference Date is [greater than] [less than] [or equal to] the Additional Amount Threshold (such event, an **"Additional Amount Event"**), then the Additional Amount payable on the Additional Amount Payment Date immediately following such Additional Amount Reference Date will be calculated as follows:

Reference Amount $\times$ Additional Amount Percentage $\times$ Additional Amount Multiplier

- (ii) If no Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date, then no Additional Amount will be payable on such Additional Amount Payment Date.

Defined terms used above:

[Insert Additional Amount Payment Date, Additional Amount Reference Date, Additional Amount Percentage, Additional Amount Threshold, Asset, Asset_(i), Asset Closing Value_(i,j), Asset Performance, Final Additional Amount Reference Date, Initial Value, Initial Value_(i), Latest Reference Date, Reference Amount, Strike Date, Weight_(i) and Worst Performing Asset from above, as applicable]

"Additional Amount Multiplier" means, in respect of each Additional Amount Reference Date, [●] [per cent.] [the amount specified in the column entitled "Additional Amount Multiplier" of the Additional Amount Table in the row corresponding to the date (specified in the column entitled "Additional Amount Reference Date(s)") on which such Additional Amount Reference Date is scheduled to fall] [Insert if "Additional Amount Multiplier" is not applicable] [one (1)].]

[Insert table if required]

[Additional Amount Table]			
Additional Amount Reference Date(s)	Additional Amount Payment Date(s)	[Additional Amount Threshold]	[Additional Amount Multiplier]
[insert date] (repeat as required)	[insert date] (repeat as required)	[●] (repeat as required)	[●] (repeat as required)

[If "Range Accrual Additional Amount" is applicable] [The Additional Amount payable on an Additional Amount Payment Date shall be an amount calculated in accordance with the following formula:

$$\text{Reference Amount} \times \text{Additional Amount Accrual Rate} \times \frac{n}{N}$$

Defined terms used above:

[Insert Asset, Asset_(i), Initial Value, Initial Value_(i), Reference Amount, Strike Date and Weight_(i) from above, as applicable]

"Accrual Asset Closing Value(i)" means the official closing value of Asset_(i) in respect of an Accrual Day (as defined below in "N").]

"Accrual Basket Value" means, in respect of the Asset Basket and any Accrual Day (as defined below in "N"), an amount calculated as follows:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Accrual Asset Closing Value}_{(i)}}{\text{Initial Value}_{(i)}}]$$

"Accrual Common Trading Day" means [a [common] scheduled trading day] [that is] [a [common] [scheduled] fund redemption valuation date [for [each Fund Interest in the Asset Basket][the Fund Interest]]].

"Accrual Event" means

[Insert if Accrual Event (Single Asset) is applicable] [on any scheduled trading day that is not a disrupted day for the Asset] *[Insert for Asset that is a Fund Interest]* [on any [scheduled fund redemption valuation date] [fund redemption valuation date] on which a Fund Event has occurred or is continuing], the [official closing value] [net asset value] of the Asset on such day is [greater than] [less than] [or equal to] the Accrual Level.]

[Insert if Accrual Event (Worst of Basket) is applicable] on any Accrual Common Trading Day that is not a [disrupted day] [day on which a fund event has occurred or is occurring] for any Asset in the Asset Basket, the [official closing value] [net asset value] of each Asset in the Asset Basket on such day is, [greater than] [less than] [or equal to] the relevant Accrual Level for such Asset.]

[Insert if Accrual Event (Basket) is applicable] on any Accrual Common Trading Day that is not a [disrupted day] [day on which a Fund Event has occurred or is occurring] for any Asset in the Asset Basket, the Accrual Basket Value of the Asset Basket on such day is, [greater than] [less than] [or equal to] the Accrual Level.]

"Accrual Level" [means] [in respect of an Asset, shall have the meaning set forth against the Asset in the column entitled "Accrual Level" in the table set out at C.20 below] [being] [equal to] [[●] per cent. of the Initial Value of the Asset] [●] [per cent.].

"Accrual Period" means [the period commencing on, but excluding, the Accrual Period Commencement Date (being [the Strike Date]/[insert other date]) and ending on, and including, the first Additional Amount Reference Date, and each period commencing on, but excluding, an Additional Amount Reference Date, and ending on, and including, the immediately following Additional Amount Reference Date.]

[Insert if an Accrual Period Table is specified] [in respect of each Additional Amount Payment Date, the period commencing on, [but excluding]/[and including], the Accrual Period Start Date immediately preceding such Additional Amount Payment Date, and ending on, [and including]/[but excluding], the immediately following Accrual Period End Date, in each case appearing in the Accrual Period Table in the row corresponding to the date (specified in the column entitled "Additional Amount Payment Date(s)") on which such Additional Amount Payment Date is scheduled to fall.

"Accrual Period End Date" means each date set out under the heading "Accrual Period End Date(s)" in "Accrual Period Table" below[, each date subject to adjustment in accordance with the conditions of the Instruments].

"Accrual Period Start Date" means each date set out under the heading "Accrual Period Start Date(s)" in "Accrual Period Table" below[, each date subject to adjustment in accordance with the conditions of the Instruments].

"Additional Amount Accrual Rate" means [●] per cent. [per annum].

"Additional Amount Payment Date" means *[Insert if an Accrual Period Table is specified]* [, in respect of each Accrual Period End Date, each date set out in the column entitled "Additional Amount Payment Date(s)" in "Accrual Period Table"

below in the row corresponding to the date (specified in the column entitled "Accrual Period End Date(s)") on which such Accrual Period End Date is scheduled to fall, each date subject to adjustment in accordance with the conditions of the Instruments]

/ [in respect of (i) each Accrual Period End Date (other than the [Accrual Period End Date scheduled to fall on *[insert date of last Accrual Period End Date]*] / [Final Reference Date] (the "**Final Accrual Period End Date**"), the [●] Business Day after [the Latest Reference Date in respect of] such Accrual Period End Date, and (ii) the Final Accrual Period End Date, the settlement date].

/ [in respect of (i) each Additional Amount Reference Date (other than the [Additional Amount Reference Date scheduled to fall on *[insert date of last Additional Amount Reference Date]*] / [Final Reference Date] (the "**Final Additional Amount Reference Date**"), the [●] Business Day after [the Latest Reference Date in respect of] such Additional Amount Reference Date, and (ii) the Final Additional Amount Reference Date, the settlement date].]

"**Additional Amount Reference Date**" means each of [the following dates: [●], [●] [and] [●]], each date subject to adjustment in accordance with the conditions of the Instruments.

"**Latest Reference Date**" means, in respect of an [Additional Amount Reference Date/Accrual Period End Date] and an Asset Basket, if as a result of such [Additional Amount Reference Date/Accrual Period End Date] not being a [scheduled trading day] [common trading day] [and/or] [scheduled fund redemption valuation date] [common scheduled fund redemption valuation date] [fund redemption valuation date] [common fund redemption valuation date] or the occurrence of a [disrupted day] [and/or] [fund event] for one or more Assets, the [Additional Amount Reference Date/Accrual Period End Date] for two or more Assets falls on different dates, the date corresponding to such [Additional Amount Reference Date/Accrual Period End Date] which is the latest to occur, as determined by the Calculation Agent.]

"**n**" means, in respect of each Additional Amount Payment Date and the Accrual Period immediately preceding such Additional Amount Payment Date, *[Insert if single Asset is applicable]* [the number of [scheduled trading days] [scheduled fund redemption valuation dates] [fund redemption valuation dates] that are not [disrupted days] [days on which a fund event has occurred or is continuing] for the Asset in such Accrual Period on which an Accrual Event has occurred] *[Insert if Basket or Worst of Basket is applicable]* [the number of [common scheduled trading days] [common trading days] [common scheduled fund redemption valuation dates] [fund redemption valuation dates] that are not [disrupted days] [days on which a fund event has occurred or is occurring] for any Asset in the Asset Basket in such Accrual Period on which an Accrual Event has occurred.

"**N**" means, in respect of each Additional Amount Payment Date and the Accrual Period immediately preceding such Additional Amount Payment Date, *[Insert if single Asset is applicable]* [the total number of [scheduled trading days] [scheduled fund redemption valuation dates] [fund redemption valuation dates] that are not [disrupted days] [days on which a fund event has occurred or is continuing] *[Insert if Basket or Worst of Basket is applicable]* [the total number of [common scheduled trading days] [common trading days] [common scheduled fund redemption valuation dates] [common fund redemption valuation dates] that are not [disrupted days] [days on which a fund event has occurred or is continuing] for any Asset in the Asset Basket in such Accrual Period] (such day, an "**Accrual Day**").

[Insert table if required]

[Accrual Period Table]		
Accrual Period Start Date(s)	Accrual Period End Date(s)	[Additional Amount Payment Date(s)]
<i>[insert date] (repeat as required)</i>	<i>[insert date] (repeat as required)</i>	<i>[insert date] (repeat as required)</i>
<i>[insert date] (repeat as required)</i>	<i>[insert date] (repeat as required)</i>	<i>[insert date] (repeat as required)</i>

[If "Additional Amount" is applicable and the LEPW Conditions are applicable and the underlying assets are Shares]

[An "Additional Amount" may be payable in respect of each Instrument, which will be calculated as (i) 100 per cent. of the cash dividend per share (less any applicable taxes), converted into the *Settlement Currency* (being *[insert currency]*) at the relevant exchange rate on or around the date that a hypothetical broker dealer would have received such cash dividend, multiplied by (ii) $[\bullet]$ Share[s] per Instrument. Any Additional Amount will be paid on the $[\text{fifth}] / [\bullet]$ business day after each date that a hypothetical broker dealer that holds one underlying share would have received a cash dividend payment from the issuer of such underlying share minus any taxes.

Where "Shares" means [the] [each of the] [ordinary shares] [depository receipts] of the relevant company set out under the heading "Underlying Asset" in the table set out at C.20 below.]

• [Insert for W&C Instruments] **Settlement on scheduled settlement date:** If the Instruments have not already been exercised and settled, the cash settlement amount for each Instrument payable on the settlement date will be [determined in accordance with paragraph (i) or (ii) below (as applicable):]

[Insert for "CSA 1"] [if:

- (i) a Barrier Event has not occurred, the cash settlement amount will be:

Reference Amount;

- (ii) a Barrier Event has occurred, the cash settlement amount will be calculated as follows [Insert if "Cap" applies] [, provided that such amount shall not exceed the Cap]:

[Insert if "Single Asset" or "Worst of Basket" applies]

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Initial Reference Value}}$$

[Insert if "Basket" applies]

$$\text{Reference Amount} \times \sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

Defined terms used above:

["Asset" means [each/the] underlying asset set out under the heading "Underlying Asset" in the table set out at C.20 below [(collectively, the "Assets" or "Asset Basket")].]

["Asset_(i)" means each Asset in an Asset Basket.]

["Barrier Asset Performance" means an amount calculated as follows:

$$\left[\frac{\text{Barrier Asset Value}}{\text{Initial Value}} \right]$$

["Barrier Asset Value" means, in respect of an Asset,

[If "Barrier Closing Value" applies] [the [official closing] [net asset] value of the Asset on [the Valuation Date] [any of the following dates: $[\bullet]$, $[\bullet]$ and $[\bullet]$] [insert other applicable date(s)]:]

[If "Barrier Average Value" applies] [the arithmetic mean of the [official closing] [net asset] value of the Asset on the following averaging dates: $[\bullet]$, $[\bullet]$ and $[\bullet]$];]

["Barrier Asset Value_(i)" means the Barrier Asset Value of each Asset_(i)];]

"Barrier Event" means (and a Barrier Event shall be deemed to occur if) the Barrier Reference Value is [greater than] [less than] [or equal to] the Barrier Level;

["Barrier Level" means

[Insert if "Closing Value" or "Worst Closing Value" or "Average Value" or

"Intraday Value" applies] [in respect of an Asset,] [●] [equal to] [[●] per cent. of the Initial Value of the Asset] [being] [the amount as set forth against the Asset in the column entitled "Barrier Level" in the table set out at C.20 below];]

[Insert if "Barrier Basket Value" or "Barrier Asset Performance" or "Barrier Worst Asset Performance" applies] [●] [per cent.];]

["Barrier Reference Value" means

[If "Intraday Value" applies] [the relevant value of an Asset at any time during the regular trading hours of the relevant exchange on any relevant day during the Observation Period;]

[If "Closing Value" or "Worst Closing Value" applies] [the [official closing] [net asset] value of [an Asset] / [the Barrier Worst Performing Asset] on [any relevant day during the Observation Period] [the Valuation Date] [any of the following dates: [●], [●] and [●]] [insert other applicable date(s)];]

[If "Average Value" applies] [the arithmetic mean of the [official closing] [net asset] value of an Asset on the following averaging dates: [●], [●] and [●];]

[If "Barrier Basket Value" applies] [the sum of the weighted performance of each Asset in an Asset Basket, which is calculated as follows:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Barrier Asset Value}_{(i)}}{\text{Initial Value}_{(i)}}]$$

[If "Barrier Asset Performance" applies] [in respect of an Asset, the performance of the Asset, which is calculated as follows:

$$\frac{\text{Barrier Asset Value}}{\text{Initial Value}}]$$

[If "Barrier Worst Asset Performance" applies] [the performance of the Barrier Worst Performing Asset on [the Valuation Date] [the following averaging dates: [●], [●] and [●]] [insert other applicable date(s)], which is calculated as follows:

$$\frac{\text{Barrier Worst Asset Value}}{\text{Barrier Worst Initial Value}}]$$

["Barrier Worst Asset Value" means the Barrier Asset Value of the Barrier Worst Performing Asset;]

["Barrier Worst Initial Value" means the Initial Value of the Barrier Worst Performing Asset;]

["Barrier Worst Performing Asset" means, on or in respect of any relevant day(s), the Asset in the Asset Basket with the lower or lowest Barrier Asset Performance on or in respect of such day(s) as determined by the Calculation Agent (provided that if two or more Assets have the same lowest Barrier Asset Performance on or in respect of such day(s), the Calculation Agent shall determine which of such Assets shall be the Barrier Worst Performing Asset for such day(s) in its sole and absolute discretion, and such Asset shall be the Barrier Worst Performing Asset for such day(s));]

["Cap" means [●];]

["Final Reference Value" means the Final Value of the [Asset] [Final Worst Performing Asset];]

["Final Value" means, in respect of an Asset, the [official closing] [net asset] value of such Asset on the [Valuation Date] [insert other applicable date]] [the arithmetic mean of the [official closing] [net asset] value of the Asset on the following [final] averaging dates: [●], [●] and [●];]

["Final Value_(i)" means the Final Value of Asset_(i).]

["Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion,

and such Asset shall be the Final Worst Performing Asset);]

["**Initial Reference Value**" means the Initial Value of the [Asset] [Final Worst Performing Asset];]

["**Initial Value**" means, in respect of an Asset, the [relevant] [arithmetic mean of the] [official closing] [net asset] value of the Asset [on the] [Strike Date] [following [initial] averaging dates: [●], [●] and [●]] [as determined by the Calculation Agent] [, being the amount as set forth against the Asset in the column entitled "Initial Value" in the table set out at C.20 below];]

["**Initial Value_(i)**" means the Initial Value of Asset_(i).]

["**Observation Period**" means the period commencing on [(and including)] /[(but excluding)] [●] and ending on [(and including)] /[(but excluding)] [●].]

["**Reference Amount**" means [●];]

["**Strike Date**" means [insert date] / [in respect of an Asset_(i), the date set forth against such Asset_(i) in the column entitled "Strike Date" of the table set out at C.20 below], subject to adjustment in accordance with the conditions of the Instruments.]

["**Weight_(i)**" [in respect of Asset_(i), shall have the meaning set forth against such Asset_(i) in the column entitled "Weight_(i)" in the table set out at C.20 below];]

[Insert for "CSA 2"] [if:

(i) a Barrier Event has not occurred, the cash settlement amount will be calculated as follows:

Reference Amount + (Reference Amount × T × Additional Percentage × FX)

(ii) a Barrier Event has occurred, the cash settlement amount will be:

Reference Amount]

Defined terms used above:

[Insert Asset, Asset_(i), Barrier Asset Performance, Barrier Asset Value, Barrier Asset Value_(i), Barrier Event, Barrier Reference Value, Barrier Level, Barrier Worst Asset Value, Barrier Worst Initial Value, Barrier Worst Performing Asset, Initial Value, Initial Value_(i), Observation Period, Reference Amount, Strike Date and Weight_(i) from above]

["**Additional Percentage**" means [[●] per cent.] [an amount that will be determined by the Calculation Agent in its sole and absolute discretion on or around [●] and shall not be [more than [●]] [and] [less than [●]].]

["**Exchange Rate Strike Date**" means the FX Initial Reference Date, or if such day is not an FX Business Day, the first FX Business Day after such day;]

["**Exchange Rate Valuation Date**" means the FX Reference Date, or if such date is not an FX Business Day, the earlier of (i) the first FX Business Day following the FX Reference Date after all adjustments, if any, to such date pursuant to the conditions of the Instruments, and (ii) the [second] [sixth] business day immediately preceding the settlement date;]

["**FX**" means [the quotient of (i) the FX Final, divided by (ii) the FX Initial] [insert if "FX" not applicable] [one (1)];]

["**FX Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and] [●] [and] [a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system is open];]

["**FX Final**" means the [Currency Price] [Derived Exchange Rate] [Specified Rate] in respect of the Exchange Rate Valuation Date;]

["**FX Initial**" means the [Currency Price] [Derived Exchange Rate] [Specified Rate] in respect of the Exchange Rate Strike Date;]

["**FX Initial Reference Date**" means [[●] FX Business Day[s] immediately

following] the [Strike Date] [last initial averaging date] [insert other date] [(scheduled to fall on [insert date])] after all adjustments to such date, if any, pursuant to the conditions of the Instruments[, provided that if, as a result of [Strike Date] [last initial averaging date] [insert other date] not being a [scheduled trading day] [common trading day] [scheduled fund redemption valuation date] [common scheduled fund redemption valuation date] [fund redemption valuation date] [common fund redemption valuation date] [●] or the occurrence of a [disrupted day] [fund event] for one or more Assets, the [Strike Date] [last initial averaging date] [insert other date] for two or more Assets falls on different dates, the FX Initial Reference Date will be [[●] FX Business Day[s] immediately following] the date corresponding to the [Strike Date] [last initial averaging date] [insert other date] which is the latest to occur, as determined by the Calculation Agent[;]

["FX Reference Date" means [[●] FX Business Day[s] immediately following] the [last] [valuation date] [observation date] [averaging date] [insert other date] [(scheduled to fall on [insert date])] after all adjustments to such date, if any, pursuant to the conditions of the Instruments[, provided that if, as a result of the [last] [valuation date] [observation date] [averaging date] [insert other date] not being a [scheduled trading day] [common trading day] [scheduled fund redemption valuation date] [common scheduled fund redemption valuation date] [fund redemption valuation date] [common fund redemption valuation date] [●] or the occurrence of a [disrupted day] [fund event] for one or more Assets, the [last] [valuation date] [observation date] [averaging date] [insert other date] for two or more Assets falls on different dates, the FX Reference Date will be [[●] FX Business Day[s] immediately following] the date corresponding to the [last] [valuation date] [observation date] [averaging date] [insert other date] which is the latest to occur, as determined by the Calculation Agent[;]

["T" means [●];]

[Insert for "CSA 3"] [if:

[Insert if "Single Asset" or "Worst of Basket" applies]

- (i) a Trigger Event has occurred, the cash settlement amount will be calculated as follows:

Reference Amount + (Reference Amount × T × Additional Percentage)

- (ii) a Trigger Event has not occurred, and:

- (a) if a Barrier Event has not occurred, the cash settlement amount will be:

Reference Amount; or

- (b) if a Barrier Event has occurred, the cash settlement amount will be calculated as follows [Insert if "Cap" applies] [, provided that such amount shall not exceed the Cap]:

Reference Amount × $\frac{\text{Final Reference Value}}{\text{Initial Reference Value}}$]

[Insert if "Basket" applies]

- (i) a Trigger Event has occurred, the cash settlement amount will be calculated as follows:

Reference Amount + (Reference Amount × T × Additional Percentage)

- (ii) a Trigger Event has not occurred, and:

- (a) if a Barrier Event has not occurred, the cash settlement amount will be:

Reference Amount; or

- (b) if a Barrier Event has occurred, the cash settlement amount will be calculated as follows [Insert if "Cap" applies] [, provided that such amount shall not exceed the Cap]:

Reference Amount × Final Basket Value]

Defined terms used above:

[Insert Asset, Asset_(i), Asset Basket, Additional Percentage, Barrier Asset Performance, Barrier Asset Value, Barrier Asset Value_(i), Barrier Event, Barrier Reference Value, Barrier Level, Barrier Worst Asset Value, Barrier Worst Initial Value, Barrier Worst Performing Asset, Cap, Final Reference Value, Final Value, Final Value_(i), Final Worst Performing Asset, Initial Reference Value, Initial Value, Initial Value_(i), Observation Period, Reference Amount, Strike Date, T and Weight_(i) from above, as applicable]

["**Basket Strike Value**" means [●] [per cent.];]

["**Final Basket Value**" means an amount calculated as follows:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

["**Strike Amount**" means [in respect of an Asset,] [●] [equal to] [[●] per cent. of the Initial Value of the Asset] [being] [the amount as set forth against the Asset in the column entitled "Strike Amount" in the table set out at C.20 below;]

"**Trigger Event**" means (and a Trigger Event shall be deemed to occur if) the [Final Reference Value of the [Asset / Final Worst Performing Asset] is [greater than] [less than] [or equal to] the Strike Amount] / [Final Basket Value is [greater than] [less than] [or equal to] the Basket Strike Value];]

[Insert for "CSA 4"] [calculated as follows:

$$RA + \left\{ RA \times FX \times \text{Max} \left[0; \left(P \times \sum_{i=1}^n \text{Weight}_{(i)} \times \left[\frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}} - \text{Strike} \right] \right) \right] \right\}$$

Defined terms used above:

[Insert Asset, Asset_(i), Exchange Rate Strike Date, Exchange Rate Valuation Date, Final Value, Final Value_(i), FX, FX Business Day, FX Final, FX Initial, FX Initial Reference Date, FX Reference Date, Initial Value, Initial Value_(i), Reference Amount, Strike Date and Weight_(i) from above, as applicable]

["**Max**" followed by a series of amounts inside brackets means whichever is the greater of the amounts separated by a semi-colon inside those brackets;]

"**P**" means Participation;

["**Participation**" means [●];]

"**RA**" means Reference Amount;]

["**Strike**" means [●];]

[Insert for "CSA 5"] [calculated as follows:

$$\begin{aligned} &\text{Reference Amount} \\ &+ \{ \text{Reference Amount} \\ &\times \text{Max}[0; P \times (\text{Basket Performance} - 1 - \text{OTM})] \} \end{aligned}$$

Defined terms used above:

[Insert Asset, Asset_(i), Exchange Rate Strike Date, Exchange Rate Valuation Date, Final Value, FX, FX Business Day, FX Final, FX Initial, FX Initial Reference Date, FX Reference Date, Initial Value, Max, P, Participation, Reference Amount and Strike Date, from above, as applicable]

"**Aggregate N Lowest Performances**" means the aggregate of the [●] lowest Final Performances out of the Final Performances for the total number of Assets in the Asset Basket, where the "Final Performance" of each Asset_(i) is calculated by dividing (a) [the arithmetic mean of] the [official closing] [net asset] value of Asset_(i) on [the following averaging dates: [●], [●] [and] [●]] [the Valuation Date] [insert other applicable date], by (b) the Initial Value of Asset_(i). For the avoidance of doubt, two or more of such Final Performances may have the same value;

"**Basket Performance**" means an amount calculated in accordance with the following formula:

$$\text{Basket Weight} \times \{\text{Aggregate N Lowest Performances} + [v \times (1 + C)]\} \times \text{FX}$$

"Basket Weight" means [●];

"C" means [●];

"OTM" means "Out Of The Money Level", being [●];

"v" means [●];

[Insert for "CSA 6"] [calculated as follows:

$$\text{RA} + \{\text{RA} \times \text{Max}[0; P \times (\text{Basket Performance} - 1 - [\text{AAP} \times N_{\text{AAPD}}])]\}$$

Defined terms used above:

[Insert Aggregate N Lowest Performances, Asset, Asset_(i), Basket Performance, Basket Weight, C, Exchange Rate Strike Date, Exchange Rate Valuation Date, Final Value, FX, FX Business Day, FX Final, FX Initial, FX Initial Reference Date, FX Reference Date, Initial Value, Max, P, Participation, RA, Reference Amount, Strike Date and v, from above, as applicable]

"AAP" means the additional amount percentage, being [●] per cent.;

"N_{AAPD}" means [the total number of Additional Amount Payment Dates, being] [●];

[Insert for "CSA 7"] [if:

[Insert if "Single Asset" or "Worst of Basket" applies]

the Final Reference Value of the [Asset / Final Worst Performing Asset] is greater than or equal to the Initial Reference Value of the [Asset / Final Worst Performing Asset], the cash settlement amount will be calculated as follows [Insert if "Cap" applies] [, provided that such amount shall not exceed the Cap]:

$$\begin{aligned} & \text{Reference Amount} \\ & + \left\{ \text{Reference Amount} \right. \\ & \left. \times \left[\text{Participation} \times \left(\frac{\text{Final Reference Value}}{\text{Initial Reference Value}} - 1 \right) \right] \right\} \end{aligned}$$

- (ii) the Final Reference Value of the [Asset / Final Worst Performing Asset] is less than the Initial Reference Value of the [Asset / Final Worst Performing Asset], and:

[If Knockout Event is not applicable]

- [(a) if a Barrier Event has not occurred, the cash settlement amount will be:

Reference Amount; or

- (b) if a Barrier Event has occurred, the cash settlement amount will be calculated as follows:

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Initial Reference Value}}$$

[If Knockout Event is applicable]

- [(a) if a Knockout Event has occurred, the cash settlement amount will be:

Reference Amount; or

- (b) if a Knockout Event has not occurred and if a Barrier Event has not occurred, the cash settlement amount will be:

Reference Amount; or

- (c) if a Knockout Event has not occurred and if a Barrier Event has occurred, the cash settlement amount will be calculated as follows:

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Initial Reference Value}}]$$

[Insert if "Basket" applies]

- (i) the Final Basket Value is greater than or equal to the Basket Strike Value, the cash settlement amount will be calculated as follows [Insert if "Cap" applies] [, provided that such amount shall not exceed the Cap]:

$$\begin{aligned} & \text{Reference Amount} \\ & + \{ \text{Reference Amount} \\ & \times [\text{Participation} \times (\text{Final Basket Value} - 1)] \} \end{aligned}$$

- (ii) the Final Basket Value is less than the Basket Strike Value, and:

[If Knockout Event is not applicable]

- (a) if a Barrier Event has not occurred, the cash settlement amount will be:

Reference Amount; or

- (b) if a Barrier Event has occurred, the cash settlement amount will be calculated as follows:

$$\text{Reference Amount} \times \text{Final Basket Value}]$$

[If Knockout Event is applicable]

- (a) if a Knockout Event has occurred, the cash settlement amount will be:

Reference Amount; or

- (b) if a Knockout Event has not occurred and if a Barrier Event has not occurred, the cash settlement amount will be:

Reference Amount; or

- (c) if a Knockout Event has not occurred and if a Barrier Event has occurred, the cash settlement amount will be calculated as follows:

$$\text{Reference Amount} \times \text{Final Basket Value}]$$

Defined terms used above:

[Insert Asset, Asset_(i), Asset Basket, Barrier Asset Performance, Barrier Asset Value, Barrier Asset Value_(i), Barrier Event, Barrier Reference Value, Barrier Level, Barrier Worst Asset Value, Barrier Worst Initial Value, Barrier Worst Performing Asset, Basket Strike Value, Cap, Final Basket Value, Final Reference Value, Final Value, Final Value_(i), Final Worst Performing Asset, Initial Reference Value, Initial Value, Initial Value_(i), Observation Period, Participation, Reference Amount, Strike Date and Weight_(i), from above, as applicable]

["**Asset Closing Value_(i)**" means the [official closing] [net asset] value of Asset_(i) on a Knockout Reference Date;]

["**Basket Value**" means an amount calculated as follows:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Asset Closing Value}_{(i)}}{\text{Initial Value}_{(i)}}]$$

["**Initial Basket Strike Value**" means [●] [per cent.];]

"**Knockout Event**" means (and a Knockout Event shall be deemed to occur if) [the [official closing] [net asset] value of the Asset in respect of any Knockout Reference Date is greater than or equal to the Initial Value of the Asset] / [the [official closing] [net asset] value of each Asset in respect of any Knockout Reference Date is greater than or equal to the Initial Value of such Asset] / [the

Basket Value in respect of any Knockout Reference Date is greater than or equal to the Initial Basket Strike Value];

"Knockout Reference Date" means any of the following dates: [●], [●] [and] [●], each date subject to adjustment in accordance with the conditions of the Instruments;]

[Insert for "CSA 8"] [if:

[Insert if "Single Asset" or "Worst of Basket" applies]

- (i) the Final Reference Value of the [Asset / Final Worst Performing Asset] is greater than or equal to the Put Reference Value, the cash settlement amount will be calculated as follows:

$$\text{Reference Amount} \times (100\% + v)$$

- (ii) the Final Reference Value of the [Asset / Final Worst Performing Asset] is less than the Put Reference Value, the cash settlement amount will be calculated as follows:

$$\text{Reference Amount} \times (100\% + v) \times \frac{\text{Final Reference Value}}{\text{Put Reference Value}}$$

[Insert if "Basket" applies]

- (i) the Final Basket Put Value is greater than or equal to the Basket Put Value, the cash settlement amount will be calculated as follows:

$$\text{Reference Amount} \times (100\% + v)$$

- (ii) the Final Basket Put Value is less than the Basket Put Value, the cash settlement amount will be calculated as follows:

$$\text{Reference Amount} \times (100\% + v) \times \text{Final Basket Put Value}$$

Defined terms used above:

[Insert Asset, Asset_(i), Final Reference Value, Final Value, Final Value_(i), Final Worst Performing Asset, Initial Value, Initial Value_(i), Reference Amount, Strike Date, v and Weight_(i), from above, as applicable]

"Basket Put Value" means [●] [per cent.];]

"Final Basket Put Value" means an amount calculated as follows:]

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Put Value}_{(i)}}$$

"Put Reference Value" means the Put Value of the [Asset / Final Worst Performing Asset];

"Put Value" [means] [in respect of an Asset,] [●] [equal to] [[●] per cent. of the Initial Value of the Asset] [being] [the amount as set forth against the Asset in the column entitled "Put Value" in the table set out at C.20 below];

"Put Value_(i)" means the Put Value of Asset_(i);

[Insert for "CSA 9"]

[Insert if "Single Asset" applies] [calculated as follows:

$$\begin{aligned} & \text{Reference Amount} \times \frac{\text{Final Value}}{\text{Initial Value}} \\ & \times \left(1 - \left[\text{Annual Adjustment Factor} \times \frac{\text{Days (t)}}{365} \right] \right) \times \text{FX} \end{aligned}$$

[Insert if "Basket" applies] [calculated as follows:

$$\begin{aligned} & \text{Reference Amount} \times \text{Final Basket Value} \\ & \times \left(1 - \left[\text{Annual Adjustment Factor} \times \frac{\text{Days (t)}}{365} \right] \right) \times \text{FX} \end{aligned}$$

Defined terms used above:

[Insert Asset, Asset_(i), Exchange Rate Strike Date, Exchange Rate Valuation Date, Final Basket Value, Final Value, Final Value_(i), FX, FX Business Day, FX Final, FX Initial, FX Initial Reference Date, FX Reference Date, Initial Value, Initial Value_(i), Reference Amount, Strike Date and Weight_(i) from above, as applicable]

"**Annual Adjustment Factor**" means [●];

"**Days(t)**" means the number of calendar days in the period commencing from, and including, the Strike Date, and ending on, but excluding, [insert the Period End Date] ([such date subject to adjustment in accordance with the conditions of the Instruments,] the "**Period End Date**").]

[Insert for "CSA 10"]

[Insert if "Single Asset" or "Worst of Basket" applies] [calculated as follows [Insert if "Cap" applies] [, provided that such amount shall not exceed the Cap]:

$$RA \times \left\{ \text{Min CSA} + \left[P2 \times \text{Max} \left(0; \text{Min} \left[\left(\frac{FRV}{IRV} - \text{Min CSA} \right); (1 - \text{Min CSA}) \right] \right) \right] \right. \\ \left. + \left[P1 \times \text{Max} \left[\left(\frac{FRV}{IRV} - 1 \right); 0 \right] \right] \right\}$$

[Insert if "Basket" applies] [calculated as follows [Insert if "Cap" applies] [, provided that such amount shall not exceed the Cap]:

$$RA \times \left\{ \text{Min CSA} + \left[P2 \times \text{Max} (0; \text{Min} [(FBV - \text{Min CSA}); (1 - \text{Min CSA})]) \right] \right. \\ \left. + \left[P1 \times \text{Max} [(FBV - 1); 0] \right] \right\}$$

Defined terms used above:

[Insert Asset, Asset_(i), Cap, Final Basket Value, Final Reference Value, Final Value, Final Value_(i), Final Worst Performing Asset, Initial Reference Value, Initial Value, Initial Value_(i), Max, Min, RA, Reference Amount, Strike Date and Weight_(i) from above, as applicable]

"**FBV**" means Final Basket Value;

"**FRV**" means Final Reference Value;

"**IRV**" means Initial Reference Value;

"**Min CSA**" means the minimum cash settlement amount, being [●] [per cent.];

"**P1**" means Participation 1;

"**Participation 1**" means [●];

"**P2**" means Participation 2;

"**Participation 2**" means [●];

[Insert for "CSA 11"]

[Insert if "Single Asset" or "Worst of Basket" applies] [calculated as follows:

$$\text{Max}[(\text{Final Reference Value} - \text{Strike Amount}); 0]]$$

[Insert if "Basket" applies] [calculated as follows:

$$RA \times \text{Max} \left\{ \left[\sum_{i=1}^n \left(\text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}} \right) - \text{Basket Strike Value} \right]; 0 \right\}]$$

Defined terms used above:

[Insert Asset, Asset_(i), Basket Strike Value, Final Reference Value, Final Value, Final Value_(i), Final Worst Performing Asset, Initial Value, Initial Value_(i), Max, RA, Reference Amount, Strike Amount, Strike Date and Weight_(i) from above, as applicable]

[Insert for "CSA 12"]

[Insert if "Single Asset" or "Best of Basket" applies] [calculated as follows:

$$\text{Max}[(\text{Strike Amount} - \text{Final Reference Value}); 0]]$$

[Insert if "Basket" applies] [calculated as follows:

$$RA \times \text{Max} \left\{ \left[\text{Basket Strike Value} - \sum_{i=1}^n \left(\text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}} \right) \right]; 0 \right\}$$

Defined terms used above:

[Insert Asset, Asset_(i), Basket Strike Value, Final Value, Final Value_(i), Initial Value, Initial Value_(i), Max, RA, Reference Amount, Strike Amount, Strike Date and Weight_(i) from above, as applicable]

"Final Best Performing Asset" means, the Asset in the Asset Basket with the higher or highest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by *dividing* the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same highest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Best Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Best Performing Asset);]

"Final Reference Value" means the Final Value of the [Asset] [Final Best Performing Asset];]

[Insert for "CSA 13"]

[Insert if "Single Asset" or "Worst of Basket" applies] [calculated as follows:

$$RA \times \left\{ \text{Protection} + \left[\text{FX} \times \text{Participation} \times \text{Max} \left(0; \left[\frac{\text{Final Reference Value}}{\text{Initial Reference Value}} - \text{Strike} \right] \right) \right] \right\}$$

[Insert if "Basket" applies] [calculated as follows:

$$RA \times \left\{ \text{Protection} + \left[\text{FX} \times \text{Participation} \times \text{Max} \left(0; \sum_{i=1}^n \text{Weight}_{(i)} \times \left(\frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}} - \text{Strike} \right) \right) \right] \right\}$$

Defined terms used above:

[Insert Asset, Asset_(i), Exchange Rate Strike Date, Exchange Rate Valuation Date, Final Reference Value, Final Value, Final Value_(i), Final Worst Performing Asset, FX, FX Business Day, FX Final, FX Initial, FX Initial Reference Date, FX Reference Date, Initial Reference Value, Initial Value, Initial Value_(i), Max, Participation, RA, Reference Amount, Strike, Strike Date, and Weight_(i) from above, as applicable]

"Protection" means [●] [per cent.]]

[Insert for "CSA 14"]

[Insert if "Single Asset" or "Worst of Basket" applies]

(i) If a Barrier Event has not occurred, the cash settlement amount shall be:

Reference Amount; or

(ii) If a Barrier Event has occurred, the cash settlement amount shall be calculated in accordance with the following formula [Insert if "Cap" applies] [, provided that such amount shall not exceed the Cap]:

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Put Reference Value}}$$

[Insert if "Basket" applies]

(i) If a Barrier Event has not occurred, the cash settlement amount shall be:

Reference Amount; or

(ii) If a Barrier Event has occurred, the cash settlement amount shall be calculated in accordance with the following formula [Insert if "Cap" applies] [, provided that such amount shall not exceed the Cap]:

$$\text{Reference Amount} \times \sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Put Value}_{(i)}}]$$

Defined terms used above:

[Insert Asset, Asset_(i), Barrier Asset Performance, Barrier Asset Value, Barrier Asset Value_(i), Barrier Event, Barrier Reference Value, Barrier Level, Barrier Worst Asset Value, Barrier Worst Initial Value, Barrier Worst Performing Asset, Cap, Final Reference Value, Final Value, Final Value_(i), Final Worst Performing Asset, Initial Value, Observation Period, Put Reference Value, Put Value, Put Value_(i), Reference Amount, Strike Date and Weight_(i) from above, as applicable]

[Insert for "CSA 15"]

[Insert if "Single Asset" or "Worst of Basket" applies]

[(i) If the Final Reference Performance of the [Asset / Final Worst Performing Asset] is greater than or equal to the Final Threshold, the cash settlement amount shall be:

zero;

(ii) If the Final Reference Performance of the [Asset / Final Worst Performing Asset] is less than the Final Threshold, and:

(a) if a Barrier Event has not occurred, the cash settlement amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \text{Cushion Amount}$$

(b) if a Barrier Event has occurred, the cash settlement amount shall be: zero.]

"Basket" applies]

[(i) If the Final Basket Value is greater than or equal to the Final Threshold, the cash settlement amount shall be:

zero;

If the Final Basket Value is less than the Final Threshold, and:

(a) if a Barrier Event has not occurred, the cash settlement amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \text{Cushion Amount}$$

if a Barrier Event has occurred, the cash settlement amount shall be:

zero.]

Defined terms used above:

[Insert Asset, Asset_(i), Barrier Asset Performance, Barrier Asset Value, Barrier Asset Value_(i), Barrier Event, Barrier Reference Value, Barrier Level, Barrier Worst Asset Value, Barrier Worst Initial Value, Barrier Worst Performing Asset, Final Basket Value, Final Reference Value, Final Value, Final Value_(i), Final Worst Performing Asset, Initial Reference Value, Initial Value, Initial Value_(i), Observation Period, Reference Amount, Strike Date and Weight_(i) from above, as applicable]

"Cushion Amount" means [●] [per cent.];

"Final Reference Performance" means, in respect of an Asset, an amount calculated as follows:

$$\frac{\text{Final Reference Value}}{\text{Initial Reference Value}}$$

"Final Threshold" means [●] [per cent.]]

[Insert for "CSA 16"]

[(i) If a Barrier Event has not occurred and:

if the Call Return is greater than or equal to the Call Return Threshold, the cash

settlement amount shall be calculated in accordance with the following formula:

$$RA + (RA \times AP) + \{RA \times \text{Max}[0; \text{Participation} \times (\text{Call Return} - AP)] \times FX\}$$

if the Call Return is less than the Call Return Threshold, the cash settlement amount shall be:

Reference Amount

- (ii) If a Barrier Event has occurred, the cash settlement amount shall be calculated in accordance with the following formula:

[Insert if "Single Asset" or "Worst of Basket" applies]

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Initial Reference Value}}]$$

[Insert if "Basket" applies]

$$\text{Reference Amount} \times \sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

Defined terms used above:

[Insert Asset, Asset_(i), Barrier Asset Performance, Barrier Asset Value, Barrier Asset Value_(i), Barrier Event, Barrier Reference Value, Barrier Level, Barrier Worst Asset Value, Barrier Worst Initial Value, Barrier Worst Performing Asset, Exchange Rate Strike Date, Exchange Rate Valuation Date, Final Reference Value, Final Value, Final Value_(i), Final Worst Performing Asset, FX, FX Business Day, FX Final, FX Initial, FX Initial Reference Date, FX Reference Date, Initial Reference Value, Initial Value, Initial Value_(i), Max, Observation Period, Participation, RA, Reference Amount, Strike, Strike Date and Weight_(i) from above, as applicable]

"Additional Percentage" means [●] per cent.;

"AP" means Additional Percentage;

"Call Return" means

[Insert if "Single Asset" (or "Single Asset Call Return") applies] [an amount calculated as follows:

$$\text{Max} \left[\left(\frac{\text{Call Settlement Value}}{\text{Call Strike Value}} - \text{Strike} \right); 0 \right]$$

[Insert if "Worst of Basket" or "Basket" (or "Basket Call Return") applies] [an amount calculated as follows:

$$\text{Max} \left\{ \left[\sum_{i=1}^n \text{Weight}_{(i)} \times \left(\frac{\text{Call Settlement Value}_{(i)}}{\text{Call Strike Value}_{(i)}} - \text{Strike} \right) \right]; 0 \right\}$$

"Call Return Threshold" means [●] [per cent.];

"Call Settlement Value" means, in respect of an Asset, [the arithmetic mean of] the [official closing] [net asset] value of the Asset on [the following [call settlement] averaging dates: [●], [●] [and] [●]] [Valuation Date] [insert other applicable date];

["Call Settlement Value_(i)" means the Call Settlement Value of Asset_(i)];

"Call Strike Value" means, in respect of an Asset, [the arithmetic mean of] the [official closing] [net asset] value of the Asset on [the following [call strike] averaging dates: [●], [●] [and] [●]] [Strike Date] [insert other applicable date];

["Call Strike Value_(i)" means the Call Strike Value of Asset_(i)];

[Insert for "CSA 17"]

- (i) If a Barrier Event has not occurred, the cash settlement amount shall be calculated in accordance with the following formula:

$$(RA \times AP) + \{RA \times \text{Max}[0; \text{Participation} \times (\text{Call Return} - AP)] \times FX\}$$

- (ii) If a Barrier Event has occurred, the cash settlement amount shall be:

zero

Defined terms used above:

[Insert Additional Percentage, AP, Asset, Asset_(i), Barrier Asset Performance, Barrier Asset Value, Barrier Asset Value_(i), Barrier Event, Barrier Reference Value, Barrier Level, Barrier Worst Asset Value, Barrier Worst Initial Value, Barrier Worst Performing Asset, Call Return, Call Settlement Value, Call Settlement Value_(i), Call Strike Value, Call Strike Value_(i), Exchange Rate Strike Date, Exchange Rate Valuation Date, FX, FX Business Day, FX Final, FX Initial, FX Initial Reference Date, FX Reference Date, Initial Value, Initial Value_(i), Max, Observation Period, Participation, RA, Reference Amount, Strike, Strike Date and Weight_(i) from above, as applicable]]

[Insert the following definitions as necessary for the above payouts]

["**Base Currency**"] means [●];]

["**Currency Price**"] means an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged), provided that if such [spot] [bid] [mid] [offer] rate of exchange is not published on the relevant price source at or around the relevant valuation time on such day, the Calculation Agent shall determine the value of the Currency Price, taking into consideration all available information as it in good faith deems relevant;]

["**Derived Exchange Rate**"] means an amount equal to the spot rate of exchange for the exchange of the Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) on the relevant day, calculated as the quotient of (i) the Reference Currency/Subject Currency Price in respect of such day, divided by (ii) the Reference Currency/Base Currency Price in respect of such day (rounded to the nearest [fourth] / [insert other number] decimal place, with [0.00005] / [insert other number] being rounded upwards);]

["**Index**"] means [●] [each of the indices] set out under the heading "Underlying Asset" in the table set out at C.20 below;]

["**Reference Currency**"] means [●];]

["**Reference Currency/Base Currency Price**"] means an amount equal to the spot rate of exchange appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of the Base Currency into the Reference Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the relevant price source at the relevant valuation time on such day, the Calculation Agent shall determine the Reference Currency/Base Currency Price, taking into consideration all available information as it in good faith deems relevant;]

["**Reference Currency/Subject Currency Price**"] means an amount equal to the spot rate of exchange appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of the Subject Currency into the Reference Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the relevant price source at the relevant valuation time on such day, the Calculation Agent shall determine the Reference Currency/Subject Currency Price, taking into consideration all available

information as it in good faith deems relevant;]

["**Specified Rate**" means, in respect of any relevant day, an amount equal to the [spot] [bid] [mid] [offer] rate of exchange, appearing on the relevant price source at or around the relevant valuation time on such day (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged, provided that if such [spot] [bid] [mid] [offer] rate of exchange is not published on the relevant price source at or around the relevant valuation time on such day, the Calculation Agent shall determine the value of the Specified Rate, taking into consideration all available information as it in good faith deems relevant;]

["**Strike Date**" means [insert date] / [in respect of an Asset_(i), the date set forth against such Asset_(i) in the column entitled "Strike Date" of the table set out at C.20 below], subject to adjustment in accordance with the Conditions of the Instruments;]

["**Subject Currency**" means [●];]

["**Valuation Date**" means [●], subject to adjustment in accordance with the conditions of the Instruments;]

[If LEPW Conditions are applicable, and:

Out-performance is applicable] [calculated as follows:

$$\text{Max} \left\{ 0; \left[(\text{STMP} - \text{STXP}) + \left(\text{Rate} \times \text{IN} \times \frac{\text{EXP}}{365} \right) \right] \right\}$$

Out-performance is not applicable] [calculated as follows:

$$\text{Max}[0; (\text{STMP} - \text{STXP})] \times \text{Multiplier}$$

Where:

["**Actual Exercise Date**" means the date on which the relevant Instrument is exercised or deemed to be exercised;]

["**Applicable Hedge Positions**" means, in respect of an Instrument, [insert for Share Linked W&C Instrument] [the product of the number of units of the underlying assets equal to the number of outstanding Instruments exercised on the relevant Actual Exercise Date as such Instrument, multiplied by the Ratio] [insert for Index Linked W&C Instrument] [the Related Hedging Arrangements];]

["**Exchange Rate**" means, in respect of any relevant day, [the prevailing rate of exchange for such day in the non-deliverable foreign exchange market for converting the Local Currency into the Settlement Currency (expressed as the number of units (or part units) of the Local Currency for which one unit of the Settlement Currency can be exchanged on a present value basis), as quoted by a leading dealer in such market] [an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] appearing on the relevant price source at or around the relevant valuation time on such day (expressed as the number of units (or part units) of the Local Currency for which one unit of the Settlement Currency can be exchanged)];]

["**EXP**" means, in respect of an Instrument, the total number of calendar days falling in the period commencing on, but excluding, the trade date (being [●]) and ending on, and including, the Actual Exercise Date for such Instrument;]

["**Final Execution Period**" means, in respect of an Instrument, the period from (and including) the Actual Exercise Date for such Instrument to (and including) the day on which a hypothetical broker dealer, acting in a commercially reasonable manner, could acquire or dispose of the entirety of its Applicable Hedge Positions;]

["**IN**" means the issue price of the series of the Instruments;]

["**Local Currency**" means [●];]

"**Max**" followed by a series of amounts inside brackets means whichever is the greater of the amounts separated by a semi-colon inside those brackets;

["**Multiplier**" means [●] / [Insert if "Multiplier" is not applicable] [one (1)];]

[If "Settlement Price (Effective Price 2)" is applicable] [**"PRC Taxes"** means certain amounts that are intended to replicate the charges, expenses and taxes imposed by the taxing authorities of the People's Republic of China that a hypothetical broker dealer could be assessed or could incur at any time in connection with the exercise of the Instruments, payments under such Instruments and the acquisition, holding, realisation or disposal of the Applicable Hedge Positions;]

[If "Settlement Price (Share Closing Price 2)" is applicable] [**"PRC Taxes (Share Closing Price)"** means certain amounts that are intended to replicate the charges, expenses and taxes imposed by the taxing authorities of the People's Republic of China that the Issuer or its affiliates could be assessed or could incur at any time in connection with the exercise of the Instruments, payments under such Instruments and the acquisition, holding, realisation or disposal of the Applicable Hedge Positions;]

[**"Rate"** means [●] [zero];]

[**"Ratio"** means [●];]

[**"Related Hedging Arrangements"** means any positions or contracts in securities, options, futures, derivatives, foreign exchange or other instruments or arrangements (howsoever described) that the Calculation Agent determines, in its sole discretion, a hypothetical broker dealer could purchase, sell, maintain or enter into with or through any person in order to hedge the Instruments;]

[**"Settlement Currency"** means [●];]

[**"STMP"** means the Settlement Price being, in respect of an Instrument,

[if "Settlement Price (Effective Price 1)" is applicable] [the effective price per underlying asset that would have been realised by a hypothetical broker dealer in acquiring, realising or disposing of the Applicable Hedge Positions on the Actual Exercise Date or during the Final Execution Period, less any applicable expenses and tax (and converted into the Settlement Currency using the Exchange Rate on the relevant date);]

[if "Settlement Price (Effective Price 2)" is applicable] [the effective price per underlying asset that would have been realised by a hypothetical broker dealer, in acquiring, realising or disposing of the Applicable Hedge Positions on the Actual Exercise Date or during the Final Execution Period, less any applicable expenses and PRC Taxes (and converted into the Settlement Currency using the Exchange Rate on the relevant date);]

[if "Settlement Price (Index Closing Level)" is applicable] [the official closing level of the underlying asset on the Valuation Date less any applicable expenses and taxes;]

[If "Settlement Price (Share Closing Price 1)" is applicable] [official closing price of the underlying asset on the Valuation Date for such Instrument less any applicable expenses and tax converted to the Settlement Currency at the Exchange Rate in respect of the Valuation Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner);]

[if "Settlement Price (Share Closing Price 2)" is applicable] [the official closing price of the underlying asset on the exchange on the Valuation Date, less any applicable expenses and PRC Taxes (Share Closing Price), and converted to the Settlement Currency at the Exchange Rate in respect of the Valuation Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner);]

[**"STXP"** means the Strike Price, being [●]; [and]

[**"Valuation Date"** means the Actual Exercise Date in respect of the relevant Instrument.]]

[Insert if Target Volatility Conditions are applicable]

[**Instruments linked to the underlying asset(s):** The amount payable on the

Instruments depends on the performance of a volatility controlled strategy (the "**Strategy**") linked to the performance of [the Underlying Asset] [the Basket of Underlying Assets], the Rate and the [Currency Price] [Derived Exchange Rate]. **Holders of the Instruments shall have no rights in relation to the Strategy or the Underlying Assets.**

Settlement: [The cash settlement amount for each Instrument payable on the settlement date will be calculated as follows:]

[Insert if "Ladder Target Volatility Payout" and "Fixed Settlement Amount Payout" are not applicable]

$$\text{Fixed Settlement Amount} + \left\{ \text{RA} \times \text{P} \times \text{FX} \times \text{Min} \left[\text{Cap}; \text{Max} \left(\left(\frac{\text{BSK}_{\text{Final}}}{\text{BSK}_0} - \text{Strike} \right); 0 \right) \right] \right\}$$

[Insert if "Ladder Target Volatility Payout" is applicable and "Fixed Settlement Amount Payout" is not applicable]

$$\text{RA} \times \{ \text{SA} + \text{Max}[\text{LockIn}; (\text{BSK}_{\text{Final}} - \text{Strike})] \}$$

[Insert if "Ladder Target Volatility Payout" is not applicable and "Fixed Settlement Amount Payout" is applicable] [A fixed settlement amount of [●] shall be payable on the settlement date for each Instrument.]

[Insert if "Target Volatility Linked Additional Amounts" is applicable:

- **[Additional Amount:** If the Calculation Agent determines that:
 - (a) an Additional Amount Event has not occurred in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date, no Additional Amount shall be payable on such Additional Amount Payment Date; or
 - (b) an Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date, the Additional Amount payable on such Additional Amount Payment Date shall be an amount calculated as follows:

$$\text{Reference Amount} \times \text{AAP}(\text{TV}) \times \text{FX}(\text{AA})$$

Defined terms used above:

["AAP(TV)" means [●] per cent;]

["Additional Amount Event" means in respect of each Additional Amount Reference Date, the Volatility Controlled Basket Performance in respect of such Additional Amount Reference Date is [less than] [greater than] [equal to] the Additional Amount Threshold in respect of such Additional Amount Reference Date;]

["Additional Amount Payment Date" means each of the following dates:[●], [●] [and] [●]] / [each date specified in the column entitled "Additional Amount Payment Date(s)" of the "Additional Amount Table" above];]

["Additional Amount Reference Date" means [each of the following dates:[●], [●]] [and] [●]] / [each date specified in the column entitled "Additional Amount Reference Date(s)" of the "Additional Amount Table" above], each subject to adjustment in accordance with the conditions of the Instruments;]

["Additional Amount Threshold" means [[●] per cent] / [, in respect of each Additional Amount Reference Date, the amount specified in the column entitled "Additional Amount Threshold" of the "Additional Amount Table" in the row corresponding to the date (specified in the column entitled "Additional Amount Reference Date(s)") on which such Additional Amount Reference Date is scheduled to fall];]

["Averaging Dates" means each of the following dates: [●],[●] and [●], each subject to adjustment in accordance with the conditions of the Instruments;]

"Basket Value" for any relevant day is as described in "**Description of the Basket**

Value" below;

["**BSK_{Final}**" means the [arithmetic mean of the Basket Value on each of the Averaging Dates] [Basket Value in respect of the Final Valuation Date];]

["**BSK₀**" means [●] (the "**Initial Basket Value**")];]

["**Cap**" means [●];]

["**Currency Price**" means an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of [●] (the "**Subject Currency**") into [●] (the "**Base Currency**") (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged), provided that if such [spot] [bid] [mid] [offer] rate of exchange is not published on the relevant price source at or around the relevant valuation time on such day, the Calculation Agent shall determine the value of the Currency Price, taking into consideration all available information as it in good faith deems relevant;]

["**Derived Exchange Rate**" means an amount equal to the spot rate of exchange for the exchange of [●] (the "**Subject Currency**") into [●] (the "**Base Currency**") (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) on the relevant day, calculated as the quotient of (i) the Reference Currency/Subject Currency Price in respect of such day, divided by (ii) the Reference Currency/Base Currency Price in respect of such day (rounded to the nearest [fourth] / *[insert other number]* decimal place, with [0.00005] / *[insert other number]* being rounded upwards);]

["**Exchange Rate Additional Amount Valuation Date**" means the first FX Business Day following the relevant Additional Amount Reference Date, after all adjustments, if any, to such date pursuant to the conditions of the Instruments;]

["**Exchange Rate Strike Date**" means [the Strike Date] [●], or, if not an FX Business Day, the first FX Business Day after such day;]

["**Exchange Rate Valuation Date**" means the FX Business Day immediately following the Final Valuation Date, after all adjustments, if any, to such date pursuant to the conditions of the Instruments;

["**Final Valuation Date**" means [●], subject to adjustment pursuant to the conditions of the Instruments.]

["**Fixed Settlement Amount**" means [●];]

"**FX**" means [the quotient of (i) the [Currency Price] [Derived Exchange Rate] in respect of the Exchange Rate Valuation Date, divided by (ii) the [Currency Price] [Derived Exchange Rate] in respect of the Exchange Rate Strike Date] / *[Insert if "FX" not applicable]* [one (1)];

["**FX(AA)**" means [the quotient of (i) the [Currency Price] [Derived Exchange Rate] in respect of the Exchange Rate Additional Amount Valuation Date immediately preceding the relevant Additional Amount Payment Date, divided by (ii) the [Currency Price] [Derived Exchange Rate] in respect of the Exchange Rate Strike Date] / *[Insert if "FX(AA)" not applicable]* [one (1)];]

["**FX Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and] [●] [and] [a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system is open];]

["**LockIn**" means an amount equal to the product of the Rounded Highest Basket Value Multiplier multiplied by the LockIn Rate;]

["**LockIn Rate**" means [●];]

["**LockIn Trigger**" means [●];]

"**Max**" followed by a series of amounts inside brackets means whichever is the

greater of the amounts separated by a semi-colon inside those brackets;

["**Min**" followed by a series of amounts inside brackets means whichever is the greater of the amounts separated by a semi-colon inside those brackets;]

["**P**" or "**Participation**" means [●];]

"**Reference Amount**" [or "**RA**"] means [●];

["**Rate**" means [a rate equal to the Reference Rate for the relevant day which appears on [Bloomberg/Reuters page:] [●] at or around [●] [a.m./p.m., [●] time,] on [such relevant day] [[●] Rate Business Days prior to such relevant day]] [zero];]

["**Rate Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and] [●] [and] [a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system is open];]

["**Reference Currency/Base Currency Price**" means an amount equal to the spot rate of exchange appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of the Base Currency into [●] (the "**Reference Currency**") (expressed as the number of units (or part units) of the Base Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the relevant price source at the relevant valuation time on such day, the Calculation Agent shall determine the Reference Currency/Base Currency Price, taking into consideration all available information as it in good faith deems relevant;]

["**Reference Currency/Subject Currency Price**" means an amount equal to the spot rate of exchange appearing on the relevant price source at the relevant valuation time on the relevant day for the exchange of the Subject Currency into the Reference Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the relevant price source at the relevant valuation time on such day, the Calculation Agent shall determine the Reference Currency/Subject Currency Price, taking into consideration all available information as it in good faith deems relevant;]

"**Reference Rate**" means the [overnight] [[●]-month] [London inter-bank offered rate for deposits in Sterling] [Hong Kong inter-bank offered rate for deposits in Hong Kong dollars] [Euro-zone inter-bank offered rate for deposits in euro] [Stockholm inter-bank offered rate for deposits in Swedish Krona] [Singapore inter-bank offered rate for deposits in Singapore dollars] [Tokyo inter-bank offered rate for deposits in Japanese Yen] [London inter-bank offered rate for deposits in U.S. dollars];

["**Rounded Highest Basket Value Multiplier**" means the quotient of (a) the highest Basket Value in respect of all valuation dates falling in the period from, and including, [●] to, and including, [●] minus one, divided by (b) the LockIn Trigger, and rounded down to the nearest whole number;]

["**SA**" means [●];]

["**Strike**" means [●];]

["**Strike Date**" means [*insert date*] / [in respect of an Asset_(i), the date set forth against such Asset_(i) in the column entitled "Strike Date" of the table set out at C.20 below], subject to adjustment in accordance with the Conditions of the Instruments[;] [.]

"**Underlying Asset**" means [each/the] underlying asset set out under the heading "Underlying Asset" in the table set out at C.20 below [(collectively, the "**Underlying Assets**" or "**Basket of Underlying Assets**")]; and] [.]

["**Volatility Controlled Basket Performance**" means, in respect of an Additional Amount Reference Date, an amount equal to the Basket Value on the Valuation Date falling on such Additional Amount Reference Date, minus the Initial Basket Value.]

Description of the Basket Value: The "Basket Value" in respect of any relevant date is an amount calculated by the Calculation Agent as the level of the Strategy on such date, which is designed to generate a "synthetic" or "virtual" long exposure to the performance of the [Underlying Asset] / [Basket of Underlying Assets] and a "synthetic" or "virtual" cash deposit accruing interest at the Rate (the "Cash Component"). The "Initial Basket Value" will be [●].

The proportion of the "synthetic" or "virtual" investment that is notionally invested in the [Underlying Asset] / [Basket of Underlying Assets] (the "**Allocation**") in respect of each valuation date is the Target Allocation in respect of the immediately preceding valuation date.

The Target Allocation in respect of any relevant day is calculated by taking the value given by the target volatility of [●] per cent. (the "**Target Volatility**") as a proportion of the historic price volatility (determined in accordance with the applicable methodology) of the [Underlying Asset] / [Underlying Assets comprising the Basket of Underlying Assets] over the [●] days preceding such day [and on such day], provided that the Target Allocation [shall not be less than [zero] [●] per cent. (the "**Minimum Target Allocation**") and] shall not be greater than [●] per cent. (the "**Maximum Target Allocation**").]

In times of rising volatility of the [Underlying Asset] / [Underlying Assets comprising the Basket of Underlying Assets], the Target Allocation will fall and a lower portion of the notional investment will be synthetically invested in the Fund Interests and a larger portion will be synthetically invested in the Cash Component.

Conversely, in times of decreasing volatility of the [Underlying Asset] / [Underlying Assets comprising the Basket of Underlying Assets], the Target Allocation will rise and a higher portion of the notional investment will be synthetically invested in the Underlying Asset[s] and a lower portion will be synthetically invested in the Cash Component.

[The Basket Value will also be reduced by deductions which synthetically replicate an annual fee of [●] per cent. for transaction costs that would be incurred by an investor if it were to enter into direct investments in the Underlying Asset[s] from time to time.]]

[Insert for Notes and if "Automatic Early Redemption" is applicable to a Series of Notes] **[Redemption upon an automatic early redemption event:** If in respect of each Automatic Early Redemption Reference Date and *[insert if underlying asset is a basket of Shares]* [the official closing price of each Share in the basket of Shares is greater than or equal to the relevant Automatic Early Redemption Knock-Out Price for such Share] *[insert if underlying asset is a single Index or Share]* [the official closing level] [the official closing price] of the [Index] [Share] is greater than or equal to the relevant Automatic Early Redemption Trigger (such event being an "**Automatic Early Redemption Event**"), all the Instruments will be redeemed at the Automatic Early Redemption Amount, payable on the Automatic Early Redemption Date following such Automatic Early Redemption Reference Date.

Where:

"Automatic Early Redemption Amount" means [●] [[●] per cent. of Calculation Amount].

"Automatic Early Redemption Date" means

[If "Change of Interest Basis" is not applicable and Interest Basis is Fixed Rate only] [[the/each] Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the maturity date]

[If "Change of Interest Basis" is not applicable and Interest Basis is Share Linked only or Index Linked only] [each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the maturity date]

[If "Change of Interest Basis" is applicable] [[the/each] Fixed Interest Payment Date and each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the maturity date [and

the [Fixed/Underlying Asset Linked] Interest Payment Date scheduled to fall on [●]

[[●] business days after each Automatic Early Redemption Reference Date].

"Automatic Early Redemption Knock-Out Price" means [in respect of the Share of:

(i) [insert Share Company], [●];

(ii) [insert Share Company], [●] [;] [repeat as appropriate for the number of Shares].]

[insert if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date] [in respect of [the] [each] Share and each automatic early redemption reference date, such percentage of the Initial Price of such Share specified in the column entitled "Automatic Early Redemption Knock-Out Price" of the table below in the row corresponding to the date specified in the column entitled "Scheduled Automatic Early Redemption Reference Date" on which such automatic early redemption reference date is scheduled to fall.]

[Scheduled Automatic Early Redemption Reference Date]	[Automatic Early Redemption Knock-Out Price] (expressed as a percentage of Initial Price of the relevant Share)		
	[Share Company]	[Share Company]	[Share Company]
[●]	[●]%	[●]%	[●]%
[●]	[●]%	[●]%	[●]%

"Automatic Early Redemption Reference Date" means

[Insert if "Change of Interest Basis" is not applicable and Fixed Rate only] [the [tenth] [●] [common] scheduled trading day[s] prior to [the/each] Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the maturity date]

[Insert if "Change of Interest Basis" is not applicable and Share Linked only or Index Linked only] [the [tenth] [●] [common] scheduled trading day prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the maturity date]

[insert if "Change of Interest Basis" is applicable] [the [tenth] [●] [common] scheduled trading day prior to [the/each] Fixed Interest Payment Date and [tenth] [●] [common] scheduled trading day prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the maturity date [and the [Fixed/Underlying Asset Linked] Interest Payment Date scheduled to fall on [●]]]

[insert if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date] [each date specified in the column entitled "Scheduled Automatic Early Redemption Reference Date" in the table above]

[insert if table is not used to list specific Scheduled Automatic Early Redemption Reference Date(s)] [●],

and each subject to adjustment in accordance with the conditions of the Instruments.

"Automatic Early Redemption Trigger" means, in respect of [the] [each] [Index] [Share], [●], being [●] per cent. of the [Initial Price] [Initial Level] of such [Index] [Share].

"Calculation Amount" means [●].

"Index" means [●] [each of the indices] set out under the heading "Underlying Asset" in the table set out at C.20 below.]

"Initial Level" means [●] [, being] [the [relevant] [official closing] level of an Index [on the Strike Date] as determined by the Calculation Agent, subject to adjustment in accordance with the conditions of the Instruments].

"Initial Price" means [●] [, being] [the [relevant] [official closing] price of a Share [on the Strike Date] as determined by the Calculation Agent, subject to adjustment in accordance with the conditions of the Instruments].

"Share" means [the] [each of the] [ordinary shares] [depository receipts] of the relevant company set out under the heading "Share Company" in the table [above] [at C.20 below].] *[insert if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date]*.

"Share Company" means each of: [●], [●] [and] [●].

"Strike Date" means *[insert date]* / [in respect of an Asset_(i), the date set forth against such Asset_(i) in the column entitled "Strike Date" of the table set out at C.20 below], subject to adjustment in accordance with the Conditions of the Instruments, subject to adjustment in accordance with the conditions of the Instruments.]

• *[Insert for Notes and if interest is payable]* **[Interest]**

The Instruments [bear interest at a fixed rate] [and] [have an interest amount or rate determined or calculated by reference to [an Index] [a/a basket of] Share[s] [(including GDRs and/or ADRs)]]].

[If Interest Basis is "Fixed Rate" and "Fixed Coupon Amount" is applicable] For each Note and [the/each] Fixed Interest Payment Date, the Fixed Coupon Amount shall be payable for [the/each] Fixed Interest Period ending on (but excluding) the Scheduled Fixed Interest Payment Date on which such Fixed Interest Payment Date is scheduled to fall *[insert if any Broken Amount is payable]* [and the Broken Amount shall be payable for any period other than the Fixed Interest Period].

[If Interest Basis is "Fixed Rate" and no "Fixed Coupon Amount" is applicable]

[For each Note and [the/each] Fixed Interest Payment Date, the Calculated Interest Amount shall be payable for each Fixed Interest Period ending on (but excluding) the Scheduled Fixed Interest Payment Date on which such Fixed Interest Payment Date is scheduled to fall.]

The interest payable on the Instruments shall be calculated in respect of any interest period by applying the Rate of Interest to

[Insert in the case of Fixed Rate Notes which are represented by a Global Note] [the aggregate outstanding nominal amount of the Instruments]

[Insert in the case of Fixed Rate Notes in definitive form] [the Calculation Amount]

and multiplying such product by the Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.]

Where:

"Broken Amount" means, for the Fixed Interest Payment Date scheduled to fall on [●], [●] per Calculation Amount.]

"Calculated Interest Amount" means, for [the/each] Fixed Interest Payment Date, the product of the Rate of Interest, multiplied by the Calculation Amount, and further multiplied by the number of days in the Fixed Interest Period ending on (but excluding) the relevant Scheduled Fixed Interest Payment Date, divided by the Denominator.]

"Calculation Amount" means [●].

"Denominator" means [●].]

"Day Count Fraction" means [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360]

(ISDA)].]

["**Fixed Coupon Amount**" means, for [the/each] Fixed Interest Payment Date, [●] per Calculation Amount.]

"**Fixed Interest Payment Date**" means [the/each] Scheduled Fixed Interest Payment Date [and [each] adjusted in accordance with the [Floating Rate Convention] [Following] [Modified Following] [Preceding] Business Day Convention].

"**Fixed Interest Period**" means [(i)] the period commencing on, and including, a Scheduled Fixed Interest Payment Date (or the Interest Commencement Date) and ending on, but excluding, the next (or first) Scheduled Fixed Interest Payment Date [and (ii) each successive period commencing on, and including, a Scheduled Fixed Interest Payment Date and ending on, but excluding, the next following Scheduled Fixed Interest Payment Date].

["**Rate of Interest**" means [●] per cent. per annum.]

"**Scheduled Fixed Interest Payment Date[s]**" means [●], [●], [●].

"**Specified Currency**" means [●].

[If "*Change of Interest Basis*" is applicable] [The rate of interest applicable to each Interest Period which ends on (but excludes) the Scheduled Fixed Interest Payment Date on which [an/the] Interest Basis A Payment Date is scheduled to fall shall be determined in accordance with the relevant provisions for Interest Basis A, and the rate of interest applicable to each Interest Period which ends on (but excludes) the Scheduled Interest Payment Date on which an Interest Basis B Payment Date is scheduled to fall shall be determined in accordance with the relevant provisions for Interest Basis B.

Defined terms used above:

"**Interest Basis A**" means Fixed Rate.

"**Interest Basis A Payment Date**" means [the/each] Fixed Interest Payment Date falling in the period commencing on, but excluding, the Interest Commencement Date and ending on, and including, the Underlying Asset Linked Interest Commencement Date.

"**Interest Basis B**" means [Index Linked] [Share Linked] [GDR/ADR Linked].

"**Interest Basis B Payment Date**" means each Underlying Asset Linked Interest Payment Date falling after the Underlying Asset Linked Interest Commencement Date.]

[If "*Interest 1*" is applicable] [In respect of each Underlying Asset Linked Interest Payment Date, the rate of interest applicable to each Interest Period ending on (but excluding) the Scheduled Interest Payment Date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

(i) if the Calculation Agent determines the official closing level of the Index on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Instruments equal to the Calculation Amount shall be [●]]; or

(ii) if the Calculation Agent determines the official closing level of the Index on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Instruments equal to the Calculation Amount shall be [●]].]

[If "*Interest 2*" is applicable] [In respect of each Underlying Asset Linked Interest Payment Date, the rate of interest applicable to each Interest Period ending on (but excluding) the Scheduled Interest Payment Date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

(i) if the Calculation Agent determines the official closing price of the Share on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Instruments equal to the Calculation Amount shall be [●]]; or

(ii) if the Calculation Agent determines the official closing price of the Share on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Instruments equal to the Calculation Amount shall be [●]].]

[If "Interest 3" is applicable] [In respect of each Underlying Asset Linked Interest Payment Date, the rate of interest applicable to each Interest Period ending on (but excluding) the Scheduled Interest Payment Date falling on the date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

(i) if the Calculation Agent determines the official closing price of each Share in the basket of Shares on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike for such Share, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Instruments equal to the Calculation Amount shall be [●]]; or

(ii) if the Calculation Agent determines the official closing price of any Share in the basket of Shares on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike for such Share, [●] per cent. per annum [and the interest amount payable on such Underlying Asset Linked Interest Payment Date in respect of each nominal amount of Instruments equal to the Calculation Amount shall be [●]].]

[If "Interest 4" is applicable] [In respect of each Underlying Asset Linked Interest Payment Date, the Interest Amount payable in respect of each Note shall be [the lesser of [●] and] an amount in the Specified Currency calculated by the Calculation Agent in accordance with the following formula:

$$CA \times \text{Max} \left\{ CF; \left[\left(\frac{\text{Coupon Participation}}{\text{Coupon Divisor}} \right) \times (AP(IVD) - CS) \right] \right\}$$

Defined terms used above:

[Insert Asset, Asset Basket, Asset_(i), Weight_(i) and Initial Value_(i) from below, as applicable]

["AP(IVD)"] means, in respect of the Asset [Basket] and an Underlying Asset Linked Interest Payment Date and the immediately preceding Interest Valuation Date, an amount calculated [by dividing (a) the Asset Closing Value of such Asset on such Interest Valuation Date, by (b) the Initial Value of such Asset] [in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{ACV(IVD)}_{(i)}}{\text{Initial Value}_{(i)}}$$

["ACV(IVD)_(i)"] means the [official closing] [net asset] value of Asset_(i) on the Interest Valuation Date immediately preceding an Underlying Asset Linked Interest Payment Date.]

["CA"] means [the Calculation Amount][●].]

"Calculation Amount" means [●].

["CF"] means [the Coupon Strike][●].]

["Coupon Divisor"] means, in respect of an Underlying Asset Linked Interest Payment Date and the immediately preceding Interest Valuation Date, the amount set forth in the table below in the column entitled "Coupon Divisor" in the row corresponding to the date on which such Underlying Asset Linked Interest Payment

Date is scheduled to fall.]

["**Coupon Participation**" means [●].]

["**Coupon Strike**" means [●].]

["**CS**" means [the Coupon Strike] [●].]

["**Interest Period**" means

[insert if Interest Basis is Fixed Rate] [[the/each] Fixed Interest Period] [and]

[insert if Interest Basis is "Index Linked", "Share Linked" and/or "GDR/ADR Linked"] [the period commencing on, and including, [●] (the "**Underlying Asset Linked Interest Commencement Date**") and ending on, but excluding, the Scheduled Interest Payment Date corresponding to the first Underlying Asset Linked Interest Payment Date, and each successive period commencing on, and including, a Scheduled Interest Payment Date and ending on, but excluding, the next following Scheduled Interest Payment Date].

"**Interest Valuation Date**" means [[each of] [●], [●] [and] [●] [each date specified in the column entitled "Scheduled Interest Payment Date" below] [the [tenth] *[insert other number]* [common] [scheduled trading day] [common trading day][scheduled fund redemption valuation date] [common scheduled fund redemption valuation date] [fund redemption valuation date] [common fund redemption valuation date] prior to each Underlying Asset Linked Interest Payment Date], and if such day is a disrupted day, subject to adjustment in accordance with the conditions of the Instruments.

"**Scheduled Interest Payment Date**" means [each of] [●], [●] [and] [●]. [each date specified in the column entitled "Scheduled Interest Payment Date below].

[Insert if "Interest 4" is applicable]

Scheduled Interest Payment Date	[Interest Valuation Date]	Coupon Division
[●]	[●]	[●]

["**Specified Rate of Interest**" means [●], [●], [●].]

"**Underlying Asset Linked Interest Payment Date**" means each Scheduled Interest Payment Date falling after the Underlying Asset Linked Interest Commencement Date[, and each adjusted in accordance with the [Floating Rate Convention] [Following] [Modified Following] [Preceding] Business Day Convention] provided that the final Underlying Asset Linked Interest Payment Date shall be the Underlying Asset Linked Interest Payment Date immediately following the Interest Valuation Date (if any) on which an Automatic Early Redemption Event has occurred.

Redemption on scheduled maturity date: If the Notes have not already been redeemed, the Notes will be redeemed *[If "FRA 1-4" is applicable]* [in accordance with paragraph (i) or (ii) below (as applicable)] *[If "FRA 5" is applicable]* [by payment of the Final Redemption Amount on the maturity date, which shall be]:

[If "FRA 1" is applicable]

(i) if a Barrier Event has not occurred in respect of the Index, each Note of the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the maturity date, which shall be:

Calculation Amount; or

(ii) if a Barrier Event has occurred in respect of the Index, each Note of the Calculation Amount will be redeemed by procuring the delivery of the Entitlement and payment of the Cash Portion (which may be zero) on the maturity date (subject to adjustment in accordance with the conditions of the Instruments relating to physical delivery).

Defined terms used above:

"Barrier Event" means (and a Barrier Event shall be deemed to occur if) the Barrier Reference Value is [greater than] [less than] [or equal to] the Barrier Level].

"Barrier Level" means, in respect of the Index, [●] [equal to] [[●] per cent. of the Initial Level of the Index].

"Barrier Reference Value" means

[If *"Intraday Value" applies*] [in respect of the Index, the relevant value of the Index at any time during the regular trading hours of the relevant exchange on any relevant day during the Observation Period.]

[If *"Closing Value" applies*] [in respect of the Index, the official closing value of the Index on [any relevant day during the Observation Period] [any of the following dates: [●], [●] and [●]] [*insert other applicable date(s)*].]

"Calculation Amount" means [●].

"Cash Portion" means, in respect of each Note of the Calculation Amount, an amount calculated in accordance with the following formula:

Final Redemption Calculation Amount – (Entitlement × ETF Final Price)

[If *"Basket" is applicable*]

$$CA \times \{ \text{Min CSA} + [P2 \times \text{Max}(0; \text{Min}[(\text{FBV} - \text{Min CSA}); (1 - \text{Min CSA})])] + [P1 \times \text{Max}[(\text{FBV} - 1); 0]] \}$$

"Entitlement" means, in respect of each Note of the Calculation Amount, a quantity of the Relevant Asset (including any evidentiary documents thereof) equal to the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the Fixed Fund Share Amount.

"ETF" means an Exchange Traded Fund (being [●]).

"ETF Final Price" means the official closing price on the relevant exchange of the fund shares of the ETF on the ETF Valuation Date, as determined by the Calculation Agent, subject to adjustment in accordance with the conditions of the Instruments.

"ETF Valuation Date" means the Final Index Valuation Date (following all adjustments, if any, pursuant to the conditions of the Instruments), and if such day is not a scheduled trading day or is a disrupted day in respect of the fund share, subject to further adjustment in accordance with the additional terms and conditions for fund linked Instruments.

"Final Index Valuation Date" means the [tenth] [*insert other number*] scheduled trading day prior to the maturity date, and if such day is a disrupted day, subject to adjustment in accordance with the conditions of the Instruments.

"Final Reference Level" means, in respect of an Index, the official closing level of such Index in respect of the Final Index Valuation Date, as determined by the Calculation Agent.

"Final Redemption Calculation Amount" means, in respect of an Index, an amount calculated in accordance with the following formula:

$$\text{Calculation Amount} \times \frac{\text{Final Reference Level}}{\text{Initial Level}}$$

"Fixed Fund Share Amount" means a number of fund shares of the ETF calculated in accordance with the following formula (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{\text{Final Redemption Calculation Amount}}{\text{ETF Final Price}}$$

"Index" means [●] [each of the indices] set out under the heading "Underlying Asset" in the table set out at C.20 below.

"Initial Level" means [●], being [the [relevant] [official closing] level of an Index [on the Strike Date] as determined by the Calculation Agent, subject to adjustment

in accordance with the conditions of the Instruments].

[If *"Intraday Value" applies*] [**"Observation Period"** means the period commencing on [(and including)] /[(but excluding)] [●] and ending on [(and including)] /[(but excluding)] [●].]

"Relevant Asset" means the fund shares of the ETF.

"Round Lot" means a number determined by the Calculation Agent equal to the smallest number of shares of the Relevant Asset that can be traded on the exchange for such Relevant Asset, as specified by the relevant exchange.]

[If *"FRA 2" is applicable*]

(i) If a Barrier Event has not occurred in respect of the Index, each Note of the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the maturity date, which shall be:

Calculation Amount; or

(ii) If a Barrier Event has occurred in respect of the Index, the Final Redemption Amount shall be calculated in accordance with the following formula [(and such amount rounded to the [nearest two decimal places] [nearest whole unit] in the Specified Currency, [0.005] [half a unit] being rounded upwards):

$$\text{Calculation Amount} \times \text{Min} \left[\text{Maximum FRA}; \text{Max} \left(\text{Minimum FRA}; \frac{\text{Final Reference Level}}{\text{Initial Level}} \right) \right]$$

Defined terms used above:

[Insert *Calculation Amount, Barrier Event, Barrier Level, Barrier Reference Value, Final Reference Level, Index, Initial Level and Observation Period* from above, as applicable]

"Max" followed by a series of amounts inside brackets means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Maximum FRA" means [●] per cent.

"Min" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"Minimum FRA" means [●] per cent.

"Specified Currency" means [●].]

[If *"FRA 3" is applicable*]

(i) If a Barrier Event has not occurred to any Share in the basket of Shares, each Note of the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the maturity date, which shall be:

Calculation Amount; or

(ii) If a Barrier Event has occurred to one or more Shares in the basket of Shares, each Note of the Calculation Amount will be redeemed by procuring delivery of the Entitlement and payment of the Cash Portion (which may be zero) to the relevant Holder on the maturity date (subject to adjustment in accordance with the conditions of the Instruments relating to physical delivery). No Residual Share Amount will be delivered.

Defined terms used above:

[Insert *Calculation Amount, Observation Period and Round Lot* from above, as applicable]

"Barrier Event" means (and a Barrier Event shall be deemed to occur if) the Barrier Reference Value is [greater than] [less than] [or equal to] the Barrier Level].

"Barrier Level" means, in respect of a Share, [●] [equal to] [[●] per cent. of the Initial Price of the Share].

"Barrier Reference Value" means

[If "*Intraday Value*" applies] [in respect of a Share, the relevant value of the Share at any time during the regular trading hours of the relevant exchange on any relevant day during the Observation Period.]

[If "*Closing Value*" applies] [in respect of a Share, the official closing value of the Share on [any relevant day during the Observation Period] [any of the following dates: [●], [●] and [●]] [*insert other applicable date(s)*].]

"**Cash Portion**" means, in respect of each Note of the Calculation Amount, an amount calculated in accordance with the following formula:

$$\text{Residual Share Amount} \times \text{Final Reference Price}_{\text{WPS}}$$

"**Entitlement**" means, in respect of each Note of the Calculation Amount, a quantity of the Relevant Asset (including any evidentiary documents thereof) equal to the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the relevant Fixed Share Amount.

"**Exchange Rate (Fixed Share Amount)**" means [the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] for the exchange of [*insert Subject Currency*] ("**Subject Currency**") into [*insert Base Currency*] ("**Base Currency**") in respect of the Final Share Basket Valuation Date (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged) (after all adjustments, if any, to the Final Share Basket Valuation Date pursuant to the conditions of the Instruments), provided that if the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] is not published on the relevant price source at the relevant valuation time on the relevant day, the Calculation Agent shall determine the value of such rate of exchange, taking into consideration all available information as it in good faith deems relevant.

"**Final Reference Price_{WPS}**" means the official closing price of the Worst Performing Share on the Final Share Basket Valuation Date, as determined by the Calculation Agent.

"**Final Share Basket Valuation Date**" means the [tenth] [*insert other number*] common scheduled trading day prior to the maturity date, and if such day is a disrupted day for one or more Shares in the basket of Shares, subject to adjustment in accordance with the conditions of the Instruments.

"**Fixed Share Amount**" means

[if "*FX Conversion*" is not applicable] [a number of shares of the Relevant Asset calculated in accordance with the following formula (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{\text{Calculation Amount}}{\text{Strike Price}_{\text{WPS}}}]$$

[if "*FX Conversion*" is applicable] [a number of shares of the Relevant Asset calculated in accordance with the following formula (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{\text{Calculation Amount} \times \text{Exchange Rate (Fixed Share Amount)}}{\text{Strike Price}_{\text{WPS}}}]$$

"**Initial Price**" means [●] [, being] [the [relevant] [official closing] price of a Share [on the Strike Date] as determined by the Calculation Agent, subject to adjustment in accordance with the conditions of the Instruments].]

"**Relevant Asset**" means the shares of the Worst Performing Share on the Final Share Basket Valuation Date.

"**Residual Share Amount**" means [*insert amount*] [an amount determined by the Calculation Agent in accordance with the following formula (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\text{Fixed Share Amount} - \text{Entitlement}]$$

"**Share**" means [the] [each of the] [ordinary shares] [depository receipts] of the relevant Share Company as set out under the heading "Underlying Asset" in the table [above] [at C.20 below].] [*insert if Automatic Early Redemption Knock-Out*]

Price is different for each Automatic Early Redemption Reference Date]].

["**Share Company**" means each of: [●], [●] [and] [●].]

"**Strike Price**" means in respect of a Share, [●].

"**Strike Price_{wps}**" means the Strike Price of the Worst Performing Share on the Final Share Basket Valuation Date, as determined by the Calculation Agent.

"**Worst Performing Share**" means, in respect of a basket of Shares and any relevant day, the Share with the lowest Share Performance on such day, as determined by the Calculation Agent (provided that if two or more Shares have the same lowest Share Performance on such day, the Calculation Agent shall determine which Share shall be the Worst Performing Share in its sole and absolute discretion, and such Share shall be the Worst Performing Share).]

[If "FRA 4" is applicable]

If a Barrier Event has not occurred to the Share, each Note of the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the maturity date, which shall be:

Calculation Amount; or

If a Barrier Event has occurred to the Share, and

(A) the Final Reference Price of the Share is greater than or equal to the Strike Price, each Note of the Calculation Amount will be redeemed by payment of the Final Redemption Amount on the maturity date, which shall be:

Calculation Amount; or

(B) the Final Reference Price of the Share is less than the Strike Price, each Note of the Calculation Amount will be redeemed by procuring the delivery of the Entitlement and payment of the Cash Portion (which may be zero) to the relevant Holder on the maturity date (subject to adjustment in accordance with the conditions of the Instruments relating to physical delivery). No Residual Share Amount will be delivered.

Defined terms used above:

[Insert Calculation Amount, Barrier Event, Barrier Level, Barrier Reference Value, Initial Price, Residual Share Amount, Round Lot, Share, Share Company and Strike Price from above, as applicable]

"**Cash Portion**" means, in respect of each Note of the Calculation Amount, an amount calculated in accordance with the following formula:

$\text{Residual Share Amount} \times \text{Final Reference Price}$

"**Entitlement**" means, in respect of each Note of the Calculation Amount, a quantity of the Relevant Asset (including any evidentiary documents thereof) equal to *[insert number of Shares]* [the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the relevant Fixed Share Amount].

"**Final Reference Price**" means, in respect of a Share, the official closing price of such Share on the Final Share Valuation Date, as determined by the Calculation Agent.

"**Final Share Valuation Date**" means the [tenth] *[insert other number]* scheduled trading day prior to the maturity date, and if such day is a disrupted day, subject to adjustment in accordance with the conditions of the Instruments.

"**Fixed Share Amount**" means a number of shares of the Relevant Asset calculated in accordance with the following formula (rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{\text{Calculation Amount}}{\text{Strike Price}}$$

"**Relevant Asset**" means the Share.]

[If "FRA 5" is applicable] [calculated in accordance with the following formula *[Insert if "Cap" applies]* [, provided that such Final Redemption Amount shall not

exceed the Cap]:

[If "Single Asset" or "Worst of Basket" is applicable]

$$CA \times \left\{ \text{Min RA} + \left[P2 \times \text{Max} \left(0; \text{Min} \left[\left(\frac{\text{FRV}}{\text{IRV}} - \text{Min RA} \right); (1 - \text{Min RA}) \right] \right) \right] \right. \\ \left. + \left[P1 \times \text{Max} \left[\left(\frac{\text{FRV}}{\text{IRV}} - 1 \right); 0 \right] \right] \right\}$$

[If "Basket" is applicable]

$$CA \times \left\{ \text{Min RA} + \left[P2 \times \text{Max}(0; \text{Min}[(\text{FBV} - \text{Min RA}); (1 - \text{Min RA})]) \right] \right. \\ \left. + \left[P1 \times \text{Max}[(\text{FBV} - 1); 0] \right] \right\}$$

Defined terms used above:

[Insert Calculation Amount, Max and Min from above, as applicable]

"**Asset**" means [each/the] underlying asset set out under the heading "Underlying Asset" in the table set out at C.20 below [(collectively, the "**Assets**" or "**Asset Basket**")].

"**Asset_(i)**" means each Asset in an Asset Basket.]

"**CA**" means Calculation Amount.

"**Cap**" means [●];]

"**FBV**" means the final basket value, which is an amount calculated as follows:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

"**Final Value**" means, in respect of an Asset, the [official closing] [net asset] value of such Asset on the [Valuation Date] [insert other applicable date]] [the arithmetic mean of the [official closing] [net asset] value of the Asset on the following [final] averaging dates: [●], [●] and [●];]

"**Final Value_(i)**" means the Final Value of Asset_(i).]

"**Final Worst Performing Asset**" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).]

"**FRV**" means the Final Value of the [Asset] [Final Worst Performing Asset];]

"**Initial Value**" means, in respect of an Asset, the [relevant] [arithmetic mean of the] [official closing] [net asset] value of the Asset [on the] [Strike Date] [following [initial] averaging dates: [●], [●] and [●]] [as determined by the Calculation Agent] [, being the amount as set forth against the Asset in the column entitled "Initial Value" in the table set out at C.20 below].

"**Initial Value_(i)**" means the Initial Value of Asset_(i).]

"**IRV**" means the Initial Value of the [Asset] [Final Worst Performing Asset].

"**Min RA**" means the minimum redemption amount, which is [●] [per cent.].

"**P1**" means Participation 1, which is [●].]

"**P2**" means Participation 2, which is [●].]

"**Weight_(i)**" [in respect of Asset_(i), shall have the meaning set forth against such Asset_(i) in the column entitled "Weight_(i)" in the table set out at C.20 below.]

[Insert the following definitions as necessary for the above payouts]

"**Index**" means [●] [each of the indices] set out under the heading "Underlying Asset" in the table set out at C.20 below.]

C.19	Exercise price/final reference price of the underlying asset(s) ["Initial Level" means [●] [, being] [the [relevant] [official closing] level of an Index [on the Strike Date] as determined by the Calculation Agent, subject to adjustment in accordance with the conditions of the Instruments].] ["Initial Price" means [●] [, being] [the [relevant] [official closing] price of a Share [on the Strike Date] as determined by the Calculation Agent, subject to adjustment in accordance with the conditions of the Instruments].] ["Share" means [the] [each of the] [ordinary shares] [depository receipts] of the relevant Share Company as set out under the heading "Underlying Asset" in the table [above] [at C.20 below].] <i>[insert if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date]</i>. ["Share Company" means each of: [●], [●] [and] [●].] ["Share Performance" means in respect of a Share and any relevant day, an amount equal to (a) the official closing price of such Share on such day, divided by (b) the Initial Price of such Share.] ["Specified Currency" means [●].] ["Strike Date" means [insert date] / [in respect of an Asset_(i), the date set forth against such Asset_(i) in the column entitled "Strike Date" of the table set out at C.20 below], subject to adjustment in accordance with the Conditions of the Instruments.] ["Subject Currency" means [●].] ["Valuation Date" means [●], subject to adjustment in accordance with the conditions of the Instruments;] <i>[Insert C.19 if Annex XII is applicable]</i> <i>[Insert for Cash Settled W&C Instruments]</i> [The [arithmetic mean of the] [official closing] [net asset] value of [the/each] [worst performing] [underlying asset] [underlying asset in the asset basket] will be determined on [the Final Reference Date] [the final Averaging Dates].] <i>[Insert if Barrier Event is applicable to the W&C Instruments or Notes]</i> [The [arithmetic mean of the] [official closing value] [net asset value] [weighted] [performance] of [the/each] [worst performing] [underlying asset] [underlying asset in the asset basket] will be determined on [each/the] barrier event determination day[s] [during the observation period].] <i>[Insert if Knockout Event is applicable]</i> [The [[official closing] [net asset] value of [the/each] [worst performing] [underlying asset] [underlying asset in the asset basket] will be determined on each Knockout Reference Date].] <i>[Insert if CSA 16 or CSA 17 is applicable]</i> [The [arithmetic mean of the] [official closing] [net asset] value of [the underlying asset] [each underlying asset in the asset basket] will be determined on the Call Settlement [Averaging/Reference Date[s]] and [arithmetic mean of the] [official closing] [net asset] value of [the underlying asset] [each underlying asset in the asset basket] will be determined on the Call Strike [Averaging Dates/Reference Date[s]].] <i>[Insert if Target Volatility Conditions are applicable]</i> [BSK_{Final} will be determined on the [final Averaging Date/[Final Valuation Date].] <i>[Insert if LEPW Conditions are applicable]</i> [The Settlement Price will be determined on [the Actual Exercise Date or during the Final Execution Period for the relevant Instrument] [Valuation Date] [Actual Exercise Date].] <i>[Insert for Cash Settled Notes and/or Physical Delivery Notes]</i> [The official closing value of the underlying asset[s] will be determined on the [Final Share Basket Valuation Date] [Final Share Valuation Date] [Final Index Valuation Date].] <i>[Insert for Cash Settled Notes]</i> [The [arithmetic mean of the] [official closing] [net asset] value of [the] [worst performing] [underlying asset] [each underlying asset in the asset basket] will be determined on the [Final Reference Date] / [final Averaging Dates].]
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		See C.18 above.															
C.20	The underlying asset[s]	[Insert C.20 if Annex XII is applicable] The underlying asset[s] of each series of the Instruments [is/are] set out in the table below under the heading "Underlying Asset" and comprise the following: • [Fund Share]: each share of [the/each] exchange traded fund(s) set out in the table below under the heading "Underlying Asset" ([each, an/the] "ETF")] • [Fund Interest]: the fund interests of [the/each] fund set out in the table below under the heading "Underlying Asset"] • [GDR/ADR]: the depositary receipts of [the/each] Share Company set out in the table below under the heading "Underlying Asset"] • [Index]: [the/each] [index] set out in the table below under the heading "Underlying Asset"] • [Share]: the [ordinary] share(s) of [the/each] Share Company set out in the table below under the heading "Underlying Asset"] • [Share Company]: the issuer of [the/each] Share] <table><tr><th>Underlying Asset</th><th>ISIN of [Share] [Fund Share] [Fund] Bloomberg code</th><th>[Initial Level/Price/Value] [Put Value] [Strike Amount]</th><th>[Barrier Level] [Accrual Level]</th><th>[Weight_(i)] [Strike Date]</th></tr><tr><td>[[ordinary] share(s)] / [depositary receipts] of [insert name(s) of relevant share company(ies)/ insert names of Index/Indices/ exchange traded fund(s)/fund(s)]</td><td>[●]</td><td>[●] [[arithmetic mean of the] [official closing] [net asset] value of the underlying asset on the [Strike Date] [initial] [averaging dates]</td><td>[●] [approximately] [equal to] [[●] per cent. of the Initial Level / Price / Value]</td><td>[●]</td></tr><tr><td>[[ordinary] share(s)] / [depositary receipts] of [insert name(s) of relevant share company(ies)/ names of Index/Indices/ exchange traded fund(s)/fund(s)]</td><td>[●]</td><td>[●] [[arithmetic mean of the] [official closing] [net asset] value of the underlying asset on the [Strike Date] [initial] [averaging dates]</td><td>[●] [approximately] [equal to] [[●] per cent. of the Initial Level / Price / Value]</td><td>[●]</td></tr></table>	Underlying Asset	ISIN of [Share] [Fund Share] [Fund] Bloomberg code	[Initial Level/Price/Value] [Put Value] [Strike Amount]	[Barrier Level] [Accrual Level]	[Weight _(i)] [Strike Date]	[[ordinary] share(s)] / [depositary receipts] of [insert name(s) of relevant share company(ies)/ insert names of Index/Indices/ exchange traded fund(s)/fund(s)]	[●]	[●] [[arithmetic mean of the] [official closing] [net asset] value of the underlying asset on the [Strike Date] [initial] [averaging dates]	[●] [approximately] [equal to] [[●] per cent. of the Initial Level / Price / Value]	[●]	[[ordinary] share(s)] / [depositary receipts] of [insert name(s) of relevant share company(ies)/ names of Index/Indices/ exchange traded fund(s)/fund(s)]	[●]	[●] [[arithmetic mean of the] [official closing] [net asset] value of the underlying asset on the [Strike Date] [initial] [averaging dates]	[●] [approximately] [equal to] [[●] per cent. of the Initial Level / Price / Value]	[●]
Underlying Asset	ISIN of [Share] [Fund Share] [Fund] Bloomberg code	[Initial Level/Price/Value] [Put Value] [Strike Amount]	[Barrier Level] [Accrual Level]	[Weight _(i)] [Strike Date]													
[[ordinary] share(s)] / [depositary receipts] of [insert name(s) of relevant share company(ies)/ insert names of Index/Indices/ exchange traded fund(s)/fund(s)]	[●]	[●] [[arithmetic mean of the] [official closing] [net asset] value of the underlying asset on the [Strike Date] [initial] [averaging dates]	[●] [approximately] [equal to] [[●] per cent. of the Initial Level / Price / Value]	[●]													
[[ordinary] share(s)] / [depositary receipts] of [insert name(s) of relevant share company(ies)/ names of Index/Indices/ exchange traded fund(s)/fund(s)]	[●]	[●] [[arithmetic mean of the] [official closing] [net asset] value of the underlying asset on the [Strike Date] [initial] [averaging dates]	[●] [approximately] [equal to] [[●] per cent. of the Initial Level / Price / Value]	[●]													
C.21	Market where the Instruments will be traded	[Insert C.21 if Annex XIII is applicable] [The Instruments will be admitted to trading on [●].] [Not applicable; the Instruments will not be admitted to trading on any stock exchange.]															
SECTION D – RISKS																	
D.2	Key risks that are specific to the Issuer[, the Guarantor] and the Group	Investors in the Instruments are subject to the creditworthiness of the Issuer [and BAC]: It is possible that the relevant Issuer [or BAC] could go bankrupt, become insolvent or enter receivership, or otherwise be unable to make the payments or non-cash delivery obligations owing to investors under the Instruments or to fulfil [its][their] respective obligations under the Instruments to Holders. If that happens, an investor will not have the protection of any deposit insurance scheme and, if the Instruments are not Secured W&C Instruments, will not be secured, and may lose some or all of its money. [In the case of W&C Instruments that are not Secured W&C Instruments] [The Issuers, BAC and BAC's subsidiaries and affiliates (including the Issuers) (the "Group") are subject to the following key risks: [As a large, international financial services company, BAC and its subsidiaries and affiliates face risks that are inherent in the business and market places in which they															

D.3 Key information on the key risks that are specific to the Instruments	operate. Material factors that could affect BAC's businesses, results of operations and financial condition and the relevant Issuer's or BAC's ability to fulfil their respective obligations include, but are not limited to, general business, economic and political conditions in the United States and in other countries; liquidity risks, including risks associated with adverse changes to BAC's credit ratings, liquidity of global markets, interest rates and the potential inability of BAC to meet its contractual and contingent financial obligations as they become due; credit risks, including the risk of loss arising from default of a borrower, obligor or counterparty when such borrower, obligor or counterparty does not meet its obligations; market risks, including the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions and related risks inherent in the financial instruments associated with BAC's operations, including loans, deposits, securities, short-term borrowings, long-term debt, trading account assets and liabilities, and derivatives; mortgage and housing market-related conditions, contractual and legal settlement-related obligations and litigation; regulatory, compliance and legal risk, including risks stemming from changes in applicable laws or regulations in the United States and in other countries; reputational risks; risks arising from governmental fiscal and monetary policies in the United States and in other countries; competition in the financial services industry; the adequacy of BAC's risk management framework; and changes in accounting standards.]] The Instruments are subject to the following key risks: The yield on the Instruments may be less than the yield on a conventional debt security of comparable maturity and may not reflect the full opportunity cost to an investor when factors that affect the time value of money, such as inflation, are considered. [A postponement of valuation or determination due to a market disruption event or a disrupted day or certain extraordinary events affecting the underlying asset(s) to which the Instruments are linked may have an adverse effect on the value of the Instruments.] [The occurrence of a payment disruption event may lead to a delayed and/or reduced payment in respect of the Instruments and in certain circumstances may even be zero. In this case, a Holder could lose up to all of its investment in the Instruments] The Issuer may make certain modifications to the Instruments without the consent of the Holders. At meetings of Holders, the decision of the majority will bind all Holders. There may be conflicts of interest between the Issuer[, BAC] and/or [its][their] respective Affiliates and the Holders, which could materially and adversely affect the value of the Instruments. Hedging and other costs for the Instruments, fees to be paid to distributor(s) included in the Issue Price, changes to the Issuer's [or Guarantor's] credit spreads and changes in the level(s) of the underlying asset(s) may cause the secondary market price of the Instruments to be less than the Issue Price. If the Issuer determines that the performance of [either] its obligations under the Instruments [or the obligations of BAC under the Guarantee] has or will become illegal in whole or in part for any reason, the Issuer may redeem or cancel the Instruments, as applicable, at an amount which may be less than the purchase price of the Instruments. United States federal tax legislation may impose a withholding tax on (i) payments made by the Issuer with respect to the Instruments to certain Holders; and (ii) on certain payments made to an Issuer in which case the Issuer may be entitled to redeem or cancel the Instruments prior to maturity. United States federal tax may be withheld from payments with respect to Instruments that are treated as "dividend equivalents". In addition, if any payment with respect to the Instruments would be treated as a "dividend equivalent", the Issuer would be entitled to redeem or cancel the Instruments at any time prior to
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maturity, settlement, expiration or exercise, as applicable, of the Instruments.

Investors may be subject to foreign exchange exposure and the Instruments may become subject to exchange control meaning that amount that investors receive may be less than expected or zero.

Many factors will determine the price of the Instruments in the secondary market and such market may be illiquid meaning that investors may lose all or a substantial portion of the purchase price of the Instruments.

Payments on the Instruments are subject to the credit risk of the Issuer [and BAC, and the value of the Instruments will be affected by a credit rating reduction of BAC].

[In the case of Instruments that are principal protected:]

[Investors in the Instruments which are principal protected may still be subject to loss of some or all of their investment if the Issuer [and BAC] [is] [are] subject to bankruptcy or insolvency proceedings or some other event occurs which impairs the ability of [it] [each] to meet its obligations under the Instruments. An investor may also lose some or all of its investment if it seeks to sell the Instruments prior to their scheduled maturity, and the sale price of the Instruments in the secondary market is less than the initial investment or the Instruments are subject to certain adjustments in accordance with the terms and conditions of such Instruments that may result in the scheduled amount to be paid or asset(s) to be delivered upon redemption being reduced to or being valued at an amount less than an investor's initial investment.]

[In the case of W&C Instruments other than Secured W&C Instruments:]

[The Instruments are unsecured obligations and the rights of the Holders to participate in any distribution of the assets of the Issuer upon its liquidation or reorganisation or otherwise may be subject to the prior claims of other creditors.]

[There are no events of default in relation to the Instruments and if the Issuer defaults on any obligation under the Instruments, Holders will have no right to declare all of the remaining obligations of the Issuer to be immediately due and payable.]

[In the case of Warrants:]

[There will be a time lag between the time a Holder gives instructions to exercise and the time the applicable cash settlement amount relating to such exercise is determined, and such time lag could decrease the cash settlement amount.]

[Holders may have to tender a certain number of Instruments at any one time in order to exercise the Instruments and Holders with fewer Instruments will either have to sell or purchase additional Instruments, incurring transaction costs, in order to realise their investment.]

[In the case of American Style Warrants:]

[The number of American style Warrants exercisable on any date other than the expiration date may be limited to a maximum number.]

[In the case of Rule 144A Warrants:]

[Transfers of the Instruments are restricted and any transfer or attempted transfer which does not comply with the applicable transfer restrictions shall be null and void *ab initio* and shall vest no rights in the purported transferee.]

[In the case of listed Instruments:]

[In certain circumstances, such as changes in listing requirements, the Issuer will not be obliged to maintain the listing of the Instruments.]

[In the case of Underlying Asset Linked Instruments:]

[Movements in the level or price of an underlying asset will affect the performance of the Instruments and may affect the actual yield to investors.]

[The Instruments include a multiplier or leverage factor in the formula used to

determine the amount(s) payable in respect of the Instruments. The Instruments represent a very speculative and risky form of investment since any change in the value of the underlying asset(s) carries the risk of a correspondingly higher change in their value.]

[Holders have no claim against any underlying asset(s), and the return on the Instruments, if any, may be less than the return on an investment directly in the underlying asset(s).]

[In the case of Physical Delivery Instruments:]

[A Holder may not receive the Entitlement relating to an Instrument if it fails to deliver the required notice and pay Expenses relating to such Instrument and Settlement may be delayed or made in cash if [a settlement disruption event occurs] [certain events arise] which may adversely affect the value of the Instruments.]

[In case of Instruments which are linked to emerging market underlying asset(s)]

[Investors in the Instruments should be aware that the political and economic situation in countries with emerging economies or stock markets may lack the social, political and economic stability characteristics of more developed countries. An investment in emerging market underlying asset(s) may be affected by unanticipated political or social developments. Emerging market underlying asset(s) may be illiquid and more volatile than investments in more established markets. It may be difficult to assess the value of the underlying asset(s) due to limited information on local issuers.]

[In the case of a basket of Underlying Assets:]

[A high correlation of basket components may have a significant effect on amounts payable on the Instruments and the negative performance of a single basket component may outweigh a positive performance of one or more other basket components and may have an impact on the amounts payable on the Instruments.]

[A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of the underlying assets and a change in composition of a basket may have an adverse effect on basket performance. These factors may have an impact on the amounts payable on the Instruments.]

[In the case of Index Linked Instruments:]

[Factors affecting the performance of the [Index] [Indices] may adversely affect the value of the Instruments and returns on the Instruments do not reflect a direct investment in underlying shares or other assets comprising the [Index] [Indices].]

[A change in the composition or discontinuance of the [Index] [Indices] and/or the substitution of [the] [an] Index with a successor Index could adversely affect the market value of the Instruments.]

[The Instruments are not sponsored, endorsed, sold, or promoted by [the] [an] Index or sponsor of such Index. No representation is made by the sponsor of [the] [an] Index on the results obtained from the use of such Index, the levels of such Index at any time on any day or the advisability of investing in the Instruments linked to such Index. The sponsor of [the] [an] Index has no obligation to advise any person of any error in such Index and neither [the] [an] Index nor the sponsor thereof is liable for any such errors. The Issuer, BAC and BAC's affiliates are not liable to the Holders for any actions or omissions of the sponsor of [the] [an] Index, the accuracy, completeness, and timeliness of any information concerning such Index, the performance of such Index, any data included in or omitted from such Index or use thereof in connection with the Instruments.]

[In the case of Index Linked Instruments and "LEPW Conditions" are applicable]

[Investors should note all payments made by the Issuer will be made subject to deductions to account for any costs and taxes which a hypothetical broker dealer could incur in connection with any hedging arrangements which such hypothetical broker dealer could make in order to hedge the Instruments.]

[In the case of Share Linked Instruments:]

[No issuer of the Share[s] will have participated in establishing the terms of the

Instruments and factors affecting the performance of the Share[s] may adversely affect the value of the Instruments. Holders have no claim against the Share [Company] [Companies] or recourse to the Share[s].]

[Adjustments to the condition of the Instruments made by the Calculation Agent following the occurrence of potential adjustment events, merger events, tender offers, de-listing, nationalisations, insolvencies or (if applicable) additional disruption events affecting the Share[s] may have an adverse effect on the value of the Instruments.]

[In the case where physical delivery is applicable]

[Holders may receive physical delivery of Share[s] in lieu of payment of cash amounts and Holders will have no voting rights or may have no right to receive dividends or distributions in respect of the Share[s].]

[In the case of Share Linked Instruments and "LEPW Conditions" are applicable]

[The Calculation Agent may make certain determinations in respect of the Instruments following the occurrence of any potential adjustment event in respect of the Share[s] to account for the diluting or concentrative effect of such potential adjustment event. Such determinations include the issue of additional or new Instruments linked to the relevant Share or the share capital or securities of a company other than the Share [Company] [Companies], or the distribution of a cash amount to Holders, or the adjustment of the terms and conditions of the Instruments. None of the Issuer[, the Guarantor] or any of [its][their] respective affiliates are in a position to advise the Holders on the impact of such determinations. Holders should consult their professional advisers on any consequences or considerations which may be relevant to, or result from, such determinations. Investors should note all payments made by the Issuer will be made subject to deductions to account for any costs and taxes which a hypothetical broker dealer could incur in connection with any hedging arrangements which such hypothetical broker dealer could make in order to hedge the Instruments.]

[The Instruments are linked to the value of specified Shares traded through "China Connect". "China Connect" is a securities trading and clearing links programme developed by the Shanghai Stock Exchange ("SSE"), the Stock Exchange of Hong Kong Limited ("SEHK"), the China Securities Depository and Clearing Corporation and the Hong Kong Securities Clearing Company Limited for the establishment of mutual market access between SSE and SEHK. It is a new platform for foreign investors to invest in eligible A shares listed and traded on the SSE. China Connect has some unique features and restrictions, including (without limitation) daily and aggregate quota restrictions, eligibility criteria for A shares that can be traded through China Connect, and restrictions on the ability of an investor to take up certain types of rights issuances through China Connect. Trading through China Connect is also subject to the laws, regulations, rules and guidelines published or applied by the exchanges, clearing systems and regulators in Hong Kong and the People's Republic of China which provide services in relation to and/or regulate activities relating to China Connect ("**China Connect Rules**"). China Connect is in its initial stage and is subject to further development. There is no assurance as to whether or how such developments may affect an investment in securities traded through China Connect. Also, the interpretation and application of the China Connect Rules is untested and there is uncertainty as to how they will be applied. Holders of the Instruments should note that these potential restrictions and uncertainties relating to China Connect may lead to adjustments to the terms or early termination of such Instruments, and any disruption to or early closure of China Connect may trigger a market disruption event in relation to the Instruments.]

[In the case of GDR/ADR Linked Instruments:]

[The amount(s) payable in respect of the Instruments do not reflect direct investment in the shares underlying the [ADR(s)] [GDR(s)].]

[Purchasers of the underlying shares represented by [ADR(s)] [GDR(s)] may not be recognised as the actual beneficial owner of such underlying shares. If this occurs and holders of [ADR(s)] [GDR(s)] lose the rights under the underlying shares, the

Instruments would become worthless. Distributions on the underlying shares represented by the [GDR(s)] [ADR(s)] may not be passed on to the purchasers of the [GDR(s)] [ADR(s)] which may affect the value of the Instruments.].

Adjustments to the conditions of the Instruments made by the Calculation Agent following the occurrence of certain corporate events affecting the underlying shares represented by the [ADRs] [GDRs] or the termination of the deposit agreement constituting the [ADRs] [GDRs] may have an adverse effect on the value of the Instruments.

[In the case of Instruments in respect of which the "Exchange Rate Conditions" is applicable or an Exchange Rate is otherwise specified in the applicable Final Terms:]

[Factors affecting the performance of the relevant exchange rate may adversely affect the value of the Instruments and BAC is a major foreign exchange dealer and may participate in transactions that are adverse to the interests of Holders.]

[In case of the Subject Currency, Base Currency or Reference Currency are currencies of emerging markets jurisdictions]

[The [Subject Currency] [and] [Reference Currency] [and] [Base Currency] [is/are] currency(ies) of emerging markets jurisdiction(s) and may experience greater volatility and less certainty as to [its/their] future levels or rate(s) of exchange as compared with other currencies of non-emerging market jurisdiction(s).]

[In the case of Fund Linked Instruments:]

[No Fund[s] will have participated in establishing the terms of the Instruments and factors affecting the performance of the Fund[s] may adversely affect the value of the Instruments.]

[The Fund[s] may be subject to: (i) certain events resulting in the replacement of [the Fund] [one or more Funds] with one or more alternative underlying asset(s) which may adversely impact the value of the Instruments; and (ii) transfer restrictions arising out of applicable securities law and illiquidity which may affect the net asset value of the Fund[s] and impact the value of the Instruments.]

[As the shares of the Fund[s] may only be redeemable on certain dates, there is a risk of delays or defaults in payment of redemption proceeds which may result in the Calculation Agent making adjustments to the net asset value per share of [the/each] Fund, thereby reducing the return on the Instruments.]

[Insert where the W&C instruments are Secured W&C Instruments:]

The Secured W&C Instruments will not benefit from the Guarantee or a guarantee from any other entity. Therefore a Holder of Secured W&C Instruments will not be able to make a claim under the terms of the Guarantee against the Guarantor for any unpaid amounts and any such shortfall will therefore not constitute an unsecured claim by such Holder of Secured W&C Instruments against the Guarantor.

The security created in respect of the W&C Instruments is primarily a security interest over the Collateral Account in which the Collateral Assets are held. Where Collateral Assets are held through a clearing system (either directly or through a sub-custodian), the interests which the Custodian will hold and which are traded in the clearing system are not the physical Collateral Assets themselves but a series of contractual rights against such clearing system. As a result, where the Collateral Assets are held in a clearing system, the security in respect of the W&C Instruments may take the form of an assignment of MLI's rights against the Custodian under a custodian agreement rather than a charge over the Collateral Assets themselves.

A failure to register the security created under a Deed of Charge in accordance with the applicable laws could mean that it is void against a liquidator, administrator or creditor of the Collateral Provider.

The rights of Holders are limited in recourse to the proceeds of the Collateral Assets. It will not necessarily be the case that the Collateral Assets will be sufficient to satisfy the claims of a Holder of the Secured W&C Instruments in respect of the Secured W&C Instruments following the occurrence of a Secured

	W&C Instrument Event of Default and in such circumstances, investors may lose all or a substantial portion of their investment. Similarly, certain events or circumstances, such as an insolvency in respect of any of the relevant parties, may lead to a delay in realisation of the Collateral Assets and payment or delivery of any related amounts to investors. Moreover, the security created in respect of the W&C Instruments may be unperfected for a variety of reasons, including the failure to make required filings and, as a result, Holders may not have priority over other creditors as anticipated. [In addition to the credit risk of the Issuer, Holders are exposed to the credit risk of the issuer of the Static Collateral Assets. The Issuer may, in its election, cancel the Secured W&C Instruments if certain events occur which are indicative of a default or material decline in the creditworthiness of the issuer of the Static Collateral Assets. In such circumstances, Holders will receive the proceeds of the sale of such Static Collateral Assets or delivery of such Static Collateral Assets (as applicable). It is likely that the market value of the Static Collateral Assets will be low in such circumstances and may be zero and this will have a material adverse impact on the returns of investors.] Following a Secured W&C Instruments Event of Default and subsequent Acceleration Event (as notified to the Security Agent upon receipt of an Acceleration Instruction), the Security Agent will enforce the security and liquidate or realise the Collateral Assets. However the Security Agent will be under no obligation to do so if: (a) in the event that it is directed by the requisite percentage of Holders of the Secured W&C Instruments to effect such liquidation or realisation in accordance with the exact provisions of an Acceleration Instruction (the form of which is scheduled to the Agency Agreement) it reasonably believes that it would not be able to recover the Security Agent Amounts or would experience an unreasonable delay in doing so; or (b) in the event that it is directed by the requisite percentage of Holders of the Secured W&C Instruments to effect such liquidation and realisation other than in accordance with the exact provisions of an Acceleration Instruction (the form of which is scheduled to the Agency Agreement) it has not been indemnified and/or secured and/or prefunded to its satisfaction. Such inaction will not constitute a breach by it of its obligations under the Security Agency Agreement, the Deed of Charge or the Secured W&C Instruments Conditions and will not entitle Holders of the Secured W&C Instruments to take action in the United Kingdom directly against the Collateral Provider. Any consequential delay in the liquidation or realisation of the Collateral Assets may adversely affect the amount distributable or deliverable to Holders of Secured W&C Instruments. D.6 The key risks that are specific to the Instruments Please refer to D.3 above [Investors may lose all or a substantial portion of their investment.] [The Instruments are designed for specific investment objectives or strategies and, therefore, have a more limited secondary market and may experience more price volatility. Holders may not be able to sell the Instruments readily or at prices that will enable them to realise their anticipated yield. No investor should purchase the Instruments unless such investor understands and is able to bear the risk that the Instruments may not be readily saleable, that the value of such Instruments will fluctuate over time, [and] that such fluctuations may be significant [and that such investor may lose all or a substantial portion of the purchase price of the Instruments].] Fixing or determination of the relevant Specified Product Value(s) at end of offer period risk: The relevant Specified Product Value(s) will not be determined or fixed by the Calculation Agent until on or around the end of the offer period of the Instruments. There is a risk that the actual Specified Product Value(s) fixed or determined by the Calculation Agent will be other than the indicative amount or range provided herein, provided that such actual Specified Product Value(s) will not be less than any indicative minimum amount specified herein and will not be more than any indicative maximum amount specified herein. Nevertheless, investors must base their investment decision on the indicative Specified Product Value(s) (and any indicative minimum amount or any indicative maximum amount of the Specified Product Value(s)) so provided, and investors will not have a right of withdrawal from their purchase obligation when the Specified Product Value(s) is
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		finally fixed or determined, and no supplement will be published in relation such fixing or determination. <i>[Insert if Annex XII is applicable]</i>
SECTION E – THE OFFER		
E.2b	Reasons for the offer and use of proceeds	<i>[Insert for Notes]</i> [MLBV intends to use the net proceeds from the issue and sale of the Instruments for general corporate purposes, including making general loans to affiliates which may use such proceeds for their general corporate purposes.] <i>[Insert for Notes]</i> [MLBV intends to use the net proceeds from the issue and sale of the Instruments for [●].] <i>[Insert for W&C Instruments]</i> [[MLBV] [MLICo.] intends to use the net proceeds from each issue of Instruments issued by it for its general corporate purposes, including making general loans to affiliates which may use such proceeds for their general corporate purposes. A substantial portion of the proceeds from the issue of Instruments may be used to hedge market risk with respect to such Instruments.] <i>[Insert for W&C Instruments]</i> [[MLBV] [MLICo.] intends to use the net proceeds from the issue of Instruments for [●]] <i>[Insert if Annex V or Annex XII is applicable]</i>
E.3	Terms and conditions of the offer	[An offer of the Instruments may be made other than pursuant to Article 3(2) of the Prospectus Directive in [●] ("Public Offer Jurisdiction[s]") during the period [from [(and including)] [●] to [(and including)] [●]] ("Offer Period") by the Authorised Offeror[s].] [The Offer Price is [●] (the "Issue Price"). [The/Each] Authorised Offeror will offer and sell the Instruments to its customers in accordance with arrangements in place between [the/such] Authorised Offeror and its customers by reference to the Issue Price and market conditions prevailing at the time.] [Offers of Instruments are conditional on their issue and are subject to [●] [certain conditions being met]. As between [the/each] Authorised Offeror and its customers, offers of the Instruments are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.] [An Investor will purchase the Instruments in accordance with the arrangements in place between the [relevant] Authorised Offeror and its customers relating to the purchase of securities generally. Investors will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the Instruments.]
E.4	Interests material to the issue/offer	[Save for any fees payable to [the/each] [Manager] [Dealer], so far as the Issuer is aware, no person involved in the issue of the Instruments has an interest material to the offer] [●].
E.7	Estimated expenses	[Not applicable; [MLBV] [MLICo.] will not charge any expenses to the investor.]/[●]

RISK FACTORS

An investment in the Instruments involves substantial risks and is a riskier investment than an investment in ordinary debt or equity securities. The Instruments are not equivalent to investing directly in the Underlying Assets (if any).

Each of MLBV, MLICo. and BAC (with respect to Instruments other than Secured W&C Instruments) believes that the following factors may affect its ability to fulfil its obligations in respect of the relevant Instruments and/or are material for the purpose of assessing the market risks associated with such Instruments issued under the Programme. All of these factors are contingencies which may or may not occur, and none of MLBV, MLICo. or BAC is in a position to express a view on the likelihood of any such contingency occurring.

*Each of MLBV, MLICo. and BAC (with respect to Instruments other than Secured W&C Instruments) believes that the factors described below represent the principal risks inherent in investing in the relevant Instruments issued under the Programme, but the inability of the relevant Issuer or BAC to pay any cash amounts in connection with any cash settled instruments ("**Cash Settled Instruments**") or to deliver the Entitlement in connection with any physical delivery instruments ("**Physical Delivery Instruments**") may occur for other reasons, and neither the Issuers nor BAC represents that the statements below regarding the risks of holding any such Instruments are exhaustive. Additional risks and uncertainties not presently known to any of MLBV, MLICo. or (with respect to Instruments other than Secured W&C Instruments) BAC or that any of MLBV, MLICo. or (with respect to Instruments other than Secured W&C Instruments) BAC currently believes to be immaterial could also have a material impact on its business operations or the relevant Instruments. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Terms used in this section and not otherwise defined shall have the meanings given to them in the "Terms and Conditions of the Notes" or the "Terms and Conditions of the W&C Instruments", as applicable (together the "**Conditions**" and references herein to "**relevant Conditions**" shall be construed accordingly).*

Organisation of the Risk Factors

1. **Risk Factors Relating to the Relevant Issuer's and (with respect to Instruments other than Secured W&C Instruments) the Guarantor's Ability to Fulfil Their Respective Obligations Under the relevant Instruments**
2. **Risk Factors Relating to the Guarantor and the Group and to the Group's Businesses and Industry**
 - (a) Risk Factors Relating to BAC and to BAC's Businesses and Industry
 - (b) General Economic and Market Conditions Risk
 - (c) Liquidity Risk
 - (d) Credit Risk
 - (e) Market Risk
 - (f) Mortgage and Housing Market-Related Risk
 - (g) Regulatory, Compliance and Legal Risk
 - (h) Risk of the Competitive Environment in which BAC Operates
 - (i) Risks Related to Risk Management
 - (j) Risk of Being an International Business
 - (k) Risk from Accounting Changes
3. **Risks Relating to the Instruments Generally**
4. **Risks Relating to Notes**
5. **Risks Relating to W&C Instruments**
6. **Risks Relating to Warrants**
7. **Risks Relating to the Market Generally**
8. **Risks Relating to the Structure of a Particular Issue of Instruments**
 - (a) General risks relating to Underlying Asset Linked Instruments
 - (b) Risks associated with baskets comprised of various components as Underlying Assets
 - (c) Risks relating to Instruments linked to certain Underlying Asset(s)
 - (i) Risks relating to Index Linked Instruments

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| (ii) | Risks relating to Share Linked Instruments |
| (iii) | Risks relating to GDR/ADR Linked Instruments |
| (iv) | Risks relating to Instruments in respect of which the "Exchange Rate Conditions" is applicable or an Exchange Rate is otherwise specified in the applicable Final Terms |
| (v) | Risks relating to Fund Linked Instruments |
| (vi) | Risks relating to Secured W&C Instruments |

1. Risk Factors Relating to the Relevant Issuer's and (with respect to Instruments other than Secured W&C Instruments) the Guarantor's Ability to Fulfil Their Respective Obligations Under the relevant Instruments

BAC is the ultimate parent company of the Bank of America group of companies (BAC and its consolidated subsidiaries, the "**Group**"). MLBV and MLICo. are both part of the Group, and, as such, may be affected by uncertain or unfavourable economic, market, legal and other conditions that are likely to affect BAC as a whole.

The Issuers are finance vehicles whose principal purpose is to raise debt or enter into financial contracts to assist the financing activities of such Issuer's affiliates. Accordingly, the Issuers do not have any trading assets and do not generate any significant net income. Each Issuer transacts with, and depends on, entities within the Group.

The Issuers' payment and non-cash delivery obligations under Instruments (other than Secured W&C Instruments) issued under the Programme are guaranteed unconditionally and irrevocably pursuant to the Guarantee. As a result, if the Guarantor's financial condition were to deteriorate, the value of such Instruments may be affected and the Issuers and investors in such Instruments may suffer direct and materially adverse consequences. Accordingly, prospective investors in Instruments (other than Secured W&C Instruments) should review, *inter alia*, the factors below regarding BAC and the Group's businesses and industry, which may affect the relevant Issuer's ability to repay its obligations and BAC's ability to fulfil its obligations under the Guarantee.

Payments on the Instruments are subject to the credit risk of the relevant Issuer and (other than Secured W&C Instruments) BAC, and the value of the Instruments (other than Secured W&C Instruments) will be affected by a credit rating reduction of BAC

The amount payable or deliverable on the Instruments at maturity, redemption, settlement, expiration or exercise is dependent upon the ability of the relevant Issuer and (other than in respect of Secured W&C Instruments) BAC to repay their respective obligations on the applicable maturity date, redemption date, settlement date, expiration date or exercise date. If the relevant Issuer and (other than in respect of Secured W&C Instruments) BAC are not able to fulfil their respective obligations under the Instruments) to Holders, investors will be unsecured and will not have the protection of the U.S. Federal Deposit Insurance Corporation, the U.S. Deposit Insurance Fund, the UK Financial Services Compensation Scheme or any other government or governmental agency, or insurance protection scheme in any jurisdiction. In such case, the return on the Instruments will be reduced and may be zero. This will be the case even if the value of the Underlying Asset increases (or decreases, as the case may be) after the pricing date. No assurance can be given as to what the relevant Issuer's or (other than in respect of Secured W&C Instruments) BAC's financial condition will be on the applicable maturity date, redemption date, settlement date, expiration date or exercise date.

Furthermore, the value of the Instruments (other than Secured W&C Instruments) is expected to be affected, in part, by investors' general appraisal of BAC's creditworthiness and actual or anticipated changes in BAC's credit ratings prior to the maturity date, redemption date, settlement date, expiration date or exercise date may affect the value of the Instruments (other than Secured W&C Instruments). Such perceptions are generally influenced by the ratings accorded to BAC's outstanding securities by standard statistical rating services. A reduction (or anticipated reduction) in the rating, if any, accorded to outstanding debt securities of BAC by one of these rating agencies could result in a reduction in the trading value of the Instruments (other than Secured W&C Instruments). As the return on the Instruments depends upon factors in addition to the relevant Issuer's or (other than Secured W&C Instruments) BAC's ability to pay its respective obligations, an improvement in these credit ratings will not reduce the other investment risks related to such Instruments. A credit rating is not a recommendation to buy, sell, or hold any of the Instruments and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.

2. **Risk Factors Relating to the Guarantor and the Group and to the Group's Businesses and Industry**

The following risk factors refer to BAC, rather than directly to the Issuers, and are only applicable to Instruments other than Secured W&C Instruments. When used in this Base Prospectus, and as required by the context, "BAC" may refer to BAC individually, BAC and its consolidated subsidiaries, or certain of BAC's subsidiaries or affiliates, individually or collectively.

Risk Factors Relating to BAC and to BAC's Businesses and Industry

In the course of conducting its business operations, BAC is exposed to a variety of risks, some of which are inherent in the financial services industry and others of which are more specific to BAC's own businesses. The discussion below addresses the most significant factors, of which BAC is currently aware, that could affect BAC's businesses, results of operations and financial condition. Additional factors that could affect BAC's businesses, results of operations and financial condition are discussed in BAC's Annual Report on Form 10-K for the year ended 31 December 2014 (the "**BAC 2014 Annual Report**") under the heading "Forward-looking Statements." However, other factors not discussed below or elsewhere in the BAC 2014 Annual Report could also adversely affect BAC's businesses, results of operations and financial condition. Therefore, the risk factors below should not be considered a complete list of potential risks that BAC may face.

Any risk factor described in the BAC 2014 Annual Report or in any of BAC's other SEC filings could by itself, or together with other factors, materially adversely affect BAC's liquidity, cash flows, competitive position, business, reputation, results of operations, capital position or financial condition, including by materially increasing BAC's expenses or decreasing BAC's revenues, which could result in material losses.

General Economic and Market Conditions Risk

BAC's businesses and results of operations may be adversely affected by the U.S. and international financial markets, U.S. and non-U.S. fiscal and monetary policy, and economic conditions generally.

BAC's businesses and results of operations are affected by the financial markets and general economic conditions in the United States and abroad, including factors such as the level and volatility of short-term and long-term interest rates, inflation, home prices, unemployment and under-employment levels, bankruptcies, household income, consumer spending, fluctuations in both debt and equity capital markets and currencies, liquidity of the global financial markets, the availability and cost of capital and credit, investor sentiment and confidence in the financial markets, the sustainability of economic growth in the United States, Europe, China and Japan, and economic, market, political and social conditions in several larger emerging market countries. The deterioration of any of these conditions could adversely affect BAC's consumer and commercial businesses, BAC's securities and derivatives portfolios, BAC's level of charge-offs and provision for credit losses, the carrying value of BAC's deferred tax assets, BAC's capital levels and liquidity, and BAC's results of operations.

Despite improving labor markets in the past year and recent sharp declines in energy costs, an elevated level of underemployment and household debt, the prolonged low interest rate environment and a strengthening U.S. Dollar, along with a continued sluggish recovery in the consumer real estate market and certain commercial real estate markets in the United States, pose challenges for domestic economic performance and the financial services industry. The elevated level of under-employment and modest wage growth have directly impaired consumer finances and pose risks to the financial services industry.

Continued uncertainty in a number of housing markets and still elevated levels of distressed and delinquent mortgages remain risks to the housing market. The current environment of heightened scrutiny of financial institutions has resulted in increased public awareness of and sensitivity to banking fees and practices. Mortgage and housing market-related risks may be accentuated by attempts to forestall foreclosure proceedings, as well as U.S. state and U.S. federal investigations into foreclosure practices by mortgage servicers. Each of these factors may adversely affect BAC's fees and costs.

The recent sharp drop in oil prices, while likely a net positive for the U.S. economy, may also add distress to select regional markets that are energy industry-dependent and may negatively impact

certain commercial and consumer loan portfolios.

BAC's businesses and results of operations are also affected by domestic and international fiscal and monetary policy. The actions of the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") in the United States and central banks internationally regulate the supply of money and credit in the global financial system. Their policies affect BAC's cost of funds for lending, investing and capital raising activities and the return BAC earns on those loans and investments, both of which affect BAC's net interest margin. The actions of the Federal Reserve in the United States and central banks internationally also can affect the value of financial instruments and other assets, such as debt securities and mortgage servicing rights ("**MSRs**"), and its policies also can affect BAC's borrowers, potentially increasing the risk that they may fail to repay their loans. BAC's businesses and earnings are also affected by the fiscal or other policies that are adopted by the U.S. government, various U.S. regulatory authorities, and non-U.S. governments and regulatory authorities. Changes in domestic and international fiscal and monetary policies are beyond BAC's control and difficult to predict but could have an adverse impact on BAC's capital requirements and the costs of running its business.

For more information about economic conditions and challenges discussed above, see Executive Summary – 2014 Economic and Business Environment in the Management's Discussion and Analysis of Financial Condition and Results of Operations (the "**MD&A**") on page 23 of the BAC 2014 Annual Report.

Liquidity Risk

Liquidity Risk is the Potential Inability to Meet BAC's Contractual and Contingent Financial Obligations, On or Off-balance Sheet, as they Become Due.

Adverse changes to BAC's credit ratings from the major credit rating agencies could significantly limit BAC's access to funding or the capital markets, increase BAC's borrowing costs, or trigger additional collateral or funding requirements.

BAC's borrowing costs and ability to raise funds are directly impacted by BAC's credit ratings. In addition, credit ratings may be important to customers or counterparties when BAC competes in certain markets and when it seeks to engage in certain transactions, including over-the-counter ("**OTC**") derivatives. Credit ratings and outlooks are opinions expressed by rating agencies on BAC's creditworthiness and that of BAC's obligations or securities, including long-term debt, short-term borrowings, preferred stock and other securities, including asset securitizations. BAC's credit ratings are subject to ongoing review by the rating agencies, which consider a number of factors, including BAC's own financial strength, performance, prospects and operations as well as factors not under BAC's control.

Currently, BAC's long-term/short-term senior debt ratings and outlooks expressed by the rating agencies are as follows: Baa2/P-2 (Review for upgrade) by Moody's; A-/A-2 (Negative) by S&P; and A/F1 (Stable) by Fitch. The rating agencies could make adjustments to BAC's credit ratings at any time, including as a result of a determination to no longer incorporate an uplift for U.S. government support. There can be no assurance that downgrades will not occur.

A reduction in certain of BAC's credit ratings could negatively affect BAC's liquidity, access to credit markets, the related cost of funds, BAC's businesses and certain trading revenues, particularly in those businesses where counterparty creditworthiness is critical. If the short-term credit ratings of BAC, Bank of America, N.A. ("**BANA**") or BAC's broker-dealer subsidiaries were downgraded by one or more levels, BAC may suffer the potential loss of access to short-term funding sources such as repo financing, and/or increased cost of funds.

In addition, under the terms of certain OTC derivative contracts and other trading agreements, in the event of a downgrade of BAC's credit ratings or certain subsidiaries' credit ratings, counterparties to those agreements may require BAC or certain subsidiaries to provide additional collateral, terminate these contracts or agreements, or provide other remedies. At December 31, 2014, if the rating agencies had downgraded their long-term senior debt ratings for BAC or certain subsidiaries by one incremental notch, the amount of additional collateral contractually required by derivative contracts and other trading agreements would have been approximately \$1.4 billion, including \$1.1 billion for BANA. If the rating agencies had downgraded their long-term senior debt ratings for these entities by an

additional incremental notch, approximately \$2.8 billion in additional incremental collateral, including \$1.9 billion for BANA, would have been required.

Also, if the rating agencies had downgraded their long-term senior debt ratings for BAC or certain subsidiaries by one incremental notch, the derivative liability that would be subject to unilateral termination by counterparties as of December 31, 2014 was \$1.8 billion against which \$1.5 billion of collateral has been posted. If the rating agencies had downgraded their long-term senior debt ratings for BAC and certain subsidiaries by a second incremental notch, the derivative liability that would be subject to unilateral termination by counterparties as of December 31, 2014 was an incremental \$3.9 billion, against which \$3.0 billion of collateral has been posted.

While certain potential impacts are contractual and quantifiable, the full consequences of a credit ratings downgrade to a financial institution are inherently uncertain, as they depend upon numerous dynamic, complex and inter-related factors and assumptions, including whether any downgrade of a firm's long-term credit ratings precipitates downgrades to its short-term credit ratings, and assumptions about the potential behaviors of various customers, investors and counterparties.

For more information about BAC's credit ratings and their potential effects to BAC's liquidity, see Liquidity Risk – Credit Ratings in the MD&A on page 68 and Note 2 – Derivatives to the Consolidated Financial Statements of the BAC 2014 Annual Report.

If BAC is unable to access the capital markets, continue to maintain deposits, or its borrowing costs increase, BAC's liquidity and competitive position will be negatively affected.

Liquidity is essential to BAC's businesses. BAC funds its assets primarily with globally sourced deposits in BAC's bank entities, as well as secured and unsecured liabilities transacted in the capital markets. BAC relies on certain secured funding sources, such as repo markets, which are typically short-term and credit-sensitive in nature. BAC also engages in asset securitization transactions, including with the government-sponsored enterprises ("GSEs"), to fund consumer lending activities. BAC's liquidity could be adversely affected by any inability to access the capital markets; illiquidity or volatility in the capital markets; unforeseen outflows of cash, including customer deposits, funding for commitments and contingencies; increased liquidity requirements on BAC's banking and nonbank subsidiaries imposed by their home countries; or negative perceptions about BAC's short- or long-term business prospects, including downgrades of BAC's credit ratings. Several of these factors may arise due to circumstances beyond BAC's control, such as a general market disruption, negative views about the financial services industry generally, changes in the regulatory environment, actions by credit rating agencies or an operational problem that affects third parties or BAC.

BAC's cost of obtaining funding is directly related to prevailing market interest rates and to BAC's credit spreads. Credit spreads are the amount in excess of the interest rate of U.S. Treasury securities, or other benchmark securities, of a similar maturity that BAC needs to pay to its funding providers. Increases in interest rates and BAC's credit spreads can increase the cost of BAC's funding. Changes in BAC's credit spreads are market-driven and may be influenced by market perceptions of BAC's creditworthiness. Changes to interest rates and BAC's credit spreads occur continuously and may be unpredictable and highly volatile.

For more information about BAC's liquidity position and other liquidity matters, including credit ratings and outlooks and the policies and procedures BAC uses to manage its liquidity risks, see Liquidity Risk in the MD&A on page 65 of the BAC 2014 Annual Report.

Bank of America Corporation is a holding company and it depends upon its subsidiaries for liquidity, including its ability to pay dividends to shareholders. Applicable laws and regulations, including capital and liquidity requirements, may restrict BAC's ability to transfer funds from BAC's subsidiaries to Bank of America Corporation or other subsidiaries.

Bank of America Corporation, as the parent company, is a separate and distinct legal entity from BAC's banking and nonbank subsidiaries. BAC evaluates and manages liquidity on a legal entity basis. Legal entity liquidity is an important consideration as there are legal and other limitations on BAC's ability to utilize liquidity from one legal entity to satisfy the liquidity requirements of another, including the parent company. For instance, the parent company depends on dividends, distributions and other payments from BAC's banking and nonbank subsidiaries to fund dividend payments on BAC's

common stock and preferred stock and to fund all payments on BAC's other obligations, including debt obligations. Many of BAC's subsidiaries, including its bank and broker-dealer subsidiaries, are subject to laws that restrict dividend payments, or authorize regulatory bodies to block or reduce the flow of funds from those subsidiaries to the parent company or other subsidiaries. In addition, BAC's bank and broker-dealer subsidiaries are subject to restrictions on their ability to lend or transact with affiliates and to minimum regulatory capital and liquidity requirements, as well as restrictions on their ability to use funds deposited with them in bank or brokerage accounts to fund their businesses.

Additional restrictions on related party transactions, increased capital and liquidity requirements and additional limitations on the use of funds on deposit in bank or brokerage accounts, as well as lower earnings, can reduce the amount of funds available to meet the obligations of the parent company and even require the parent company to provide additional funding to such subsidiaries. Also, additional liquidity may be required at each subsidiary entity. Regulatory action of that kind could impede access to funds BAC needs to make payments on its obligations or dividend payments. In addition, BAC's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of the subsidiary's creditors. For more information regarding BAC's ability to pay dividends, see Capital Management in the MD&A on page 59 and Note 13 – Shareholders' Equity to the Consolidated Financial Statements, each of the BAC 2014 Annual Report.

Credit Risk

Credit Risk is the Risk of Loss Arising from the Inability or Failure of a Borrower or Counterparty to Meet its Obligations.

Economic or market disruptions, insufficient credit loss reserves or concentration of credit risk may result in an increase in the provision for credit losses, which could have an adverse effect on BAC's financial condition and results of operations.

A number of BAC's products expose it to credit risk, including loans, letters of credit, derivatives, trading account assets and assets held-for-sale. The financial condition of BAC's consumer and commercial borrowers and counterparties could adversely affect BAC's earnings.

Global and U.S. economic conditions may impact BAC's credit portfolios. To the extent economic or market disruptions occur, such disruptions would likely increase the risk that borrowers or counterparties would default or become delinquent on their obligations to BAC. Increases in delinquencies and default rates could adversely affect BAC's consumer credit card, home equity, residential mortgage and purchased credit-impaired ("PCI") portfolios through increased charge-offs and provision for credit losses. Additionally, increased credit risk could also adversely affect BAC's commercial loan portfolios with weakened customer and collateral positions.

BAC estimates and establishes an allowance for credit losses for losses inherent in its lending activities (including unfunded lending commitments), excluding those measured at fair value, through a charge to earnings. The amount of allowance is determined based on BAC's evaluation of the potential credit losses included within its loan portfolios. The process for determining the amount of the allowance requires difficult and complex judgments, including forecasts of economic conditions and how borrowers will react to those conditions. The ability of BAC's borrowers or counterparties to repay their obligations will likely be impacted by changes in economic conditions, which in turn could impact the accuracy of BAC's forecasts. There is also the chance that BAC will fail to accurately identify the appropriate economic indicators or that BAC will fail to accurately estimate their impacts.

BAC may suffer unexpected losses if the models and assumptions it uses to establish reserves and make judgments in extending credit to its borrowers or counterparties become less predictive of future events. Although BAC believes that its allowance for credit losses was in compliance with applicable accounting standards at December 31, 2014, there is no guarantee that it will be sufficient to address future credit losses, particularly if economic conditions deteriorate. In such an event, BAC may increase the size of its allowance, which reduces BAC's earnings.

In the ordinary course of its business, BAC also may be subject to a concentration of credit risk in a particular industry, country, counterparty, borrower or issuer. A deterioration in the financial condition or prospects of a particular industry or a failure or downgrade of, or default by, any particular entity or group of entities could negatively affect BAC's businesses and the processes by which BAC sets limits

and monitors the level of its credit exposure to individual entities, industries and countries may not function as BAC has anticipated. While BAC's activities expose it to many different industries and counterparties, BAC routinely executes a high volume of transactions with counterparties in the financial services industry, including brokers-dealers, commercial banks, investment banks, insurers, mutual and hedge funds, and other institutional clients. This has resulted in significant credit concentration with respect to this industry. Financial services institutions and other counterparties are inter-related because of trading, funding, clearing or other relationships. As a result, defaults by, or even rumors or questions about the financial stability of one or more financial services institutions, or the financial services industry generally, could lead to market-wide liquidity disruptions, losses and defaults. Many of these transactions expose BAC to credit risk in the event of default of a counterparty. In addition, BAC's credit risk may be heightened by market risk when the collateral held by BAC cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivatives exposure due to BAC.

In the ordinary course of business, BAC also enters into transactions with sovereign nations, U.S. states and U.S. municipalities. Unfavorable economic or political conditions, disruptions to capital markets, currency fluctuations, changes in energy prices, social instability and changes in government policies could impact the operating budgets or credit ratings of sovereign nations, U.S. states and U.S. municipalities and expose BAC to credit risk.

BAC also has a concentration of credit risk with respect to its consumer real estate, consumer credit card and commercial real estate portfolios, which represent a large percentage of BAC's overall credit portfolio. Economic downturns have adversely affected these portfolios. Continued economic weakness or deterioration in real estate values or household incomes could result in higher credit losses.

For more information about BAC's credit risk and credit risk management policies and procedures, see Credit Risk Management in the MD&A on page 70 and Note 1 – Summary of Significant Accounting Principles to the Consolidated Financial Statements, each of the BAC 2014 Annual Report.

BAC's derivatives businesses may expose it to unexpected risks and potential losses.

BAC is party to a large number of derivatives transactions, including credit derivatives. BAC's derivatives businesses may expose it to unexpected market, credit and operational risks that could cause BAC to suffer unexpected losses. Severe declines in asset values, unanticipated credit events or unforeseen circumstances that may cause previously uncorrelated factors to become correlated (and vice versa) may create losses resulting from risks not appropriately taken into account in the development, structuring or pricing of a derivative instrument. The terms of certain of BAC's OTC derivative contracts and other trading agreements provide that upon the occurrence of certain specified events, such as a change in BAC's credit ratings, BAC may be required to provide additional collateral or to provide other remedies, or BAC's counterparties may have the right to terminate or otherwise diminish BAC's rights under these contracts or agreements.

Many derivative instruments are individually negotiated and non-standardized, which can make exiting, transferring or settling some positions difficult. Many derivatives require that BAC deliver to the counterparty the underlying security, loan or other obligation in order to receive payment. In a number of cases, BAC does not hold, and may not be able to obtain, the underlying security, loan or other obligation.

In the event of a downgrade of BAC's credit ratings, certain derivative and other counterparties may request BAC substitute BANA (which has generally had equal or higher credit ratings than BAC) as counterparty for certain derivative contracts and other trading agreements. BAC's ability to substitute or make changes to these agreements to meet counterparties' requests may be subject to certain limitations, including counterparty willingness, regulatory limitations on naming BANA as the new counterparty and the type or amount of collateral required. It is possible that such limitations on BAC's ability to substitute or make changes to these agreements, including naming BANA as the new counterparty, could adversely affect BAC's results of operations.

Derivatives contracts, including new and more complex derivatives products, and other transactions entered into with third parties are not always confirmed by the counterparties or settled on a timely basis. While a transaction remains unconfirmed, or during any delay in settlement, BAC is subject to

heightened credit, market and operational risk and, in the event of default, may find it more difficult to enforce the contract. In addition, disputes may arise with counterparties, including government entities, about the terms, enforceability and/or suitability of the underlying contracts. These factors could negatively impact BAC's ability to effectively manage its risk exposures from these products and subject BAC to increased credit and operating costs and reputational risk. For more information on BAC's derivatives exposure, see Note 2 –Derivatives to the Consolidated Financial Statements of the BAC 2014 Annual Report.

Market Risk

Market Risk is the Risk that Market Conditions May Adversely Impact the Value of Assets or Liabilities or Otherwise Negatively Impact Earnings. Market Risk is Inherent in the Financial Instruments Associated with BAC's Operations, Including Loans, Deposits, Securities, Short-term Borrowings, Long-term Debt, Trading Account Assets and Liabilities, and Derivatives.

Increased market volatility and adverse changes in other financial or capital market conditions may increase BAC's market risk.

BAC's liquidity, cash flows, competitive position, business, results of operations and financial condition are affected by market risk factors such as changes in interest and currency exchange rates, equity and futures prices, the implied volatility of interest rates, credit spreads and other economic and business factors. These market risks may adversely affect, among other things, (i) the value of BAC's on- and off-balance sheet securities, trading assets, other financial instruments, and MSRs, (ii) the cost of debt capital and BAC's access to credit markets, (iii) the value of assets under management ("AUM"), (iv) fee income relating to AUM, (v) customer allocation of capital among investment alternatives, (vi) the volume of client activity in BAC's trading operations, (vii) investment banking fees, and (viii) the general profitability and risk level of the transactions in which BAC engages. For example, the value of certain of BAC's assets is sensitive to changes in market interest rates. If the Federal Reserve, or central banks internationally, change or signal a change in monetary policy, market interest rates could be affected, which could adversely impact the value of such assets. In addition, the existence of a prolonged low interest rate environment could negatively impact BAC's cash flows, financial condition or results of operations, including future revenue and earnings growth.

BAC uses various models and strategies to assess and control its market risk exposures but those are subject to inherent limitations. BAC's models, which rely on historical trends and assumptions, may not be sufficiently predictive of future results due to limited historical patterns, extreme or unanticipated market movements and illiquidity, especially during severe market downturns or stress events. The models that BAC uses to assess and control its market risk exposures also reflect assumptions about the degree of correlation among prices of various asset classes or other market indicators. In addition, market conditions in recent years have involved unprecedented dislocations and highlight the limitations inherent in using historical data to manage risk.

In times of market stress or other unforeseen circumstances, such as the market conditions experienced in 2008 and 2009, previously uncorrelated indicators may become correlated, or previously correlated indicators may move in different directions. These types of market movements have at times limited the effectiveness of BAC's hedging strategies and have caused BAC to incur significant losses, and they may do so in the future. These changes in correlation can be exacerbated where other market participants are using risk or trading models with assumptions or algorithms that are similar to BAC's. In these and other cases, it may be difficult to reduce BAC's risk positions due to the activity of other market participants or widespread market dislocations, including circumstances where asset values are declining significantly or no market exists for certain assets. To the extent that BAC owns securities that do not have an established liquid trading market or are otherwise subject to restrictions on sale or hedging, BAC may not be able to reduce its positions and therefore reduce its risk associated with such positions. In addition, challenging market conditions may also adversely affect BAC's investment banking fees.

For more information about market risk and BAC's market risk management policies and procedures, see Market Risk Management in the MD&A on page 99 of the BAC 2014 Annual Report.

A downgrade in the U.S. government's sovereign credit rating, or in the credit ratings of instruments issued, insured or guaranteed by related institutions, agencies or instrumentalities, could result in

risks to BAC and BAC's credit ratings and general economic conditions that BAC is not able to predict.

On June 6, 2014, S&P affirmed its AA+ long-term and A-1+ short-term sovereign credit rating on the U.S. government with a stable outlook. On March 21, 2014, Fitch affirmed its AAA long-term and F1+ short-term sovereign credit rating on the U.S. government with a stable outlook. This resolved the rating watch negative that was placed on the ratings on October 15, 2013. On July 18, 2013, Moody's revised its outlook on the U.S. government to stable from negative and affirmed its Aaa long-term sovereign credit rating on the U.S. government.

The ratings and perceived creditworthiness of instruments issued, insured or guaranteed by institutions, agencies or instrumentalities directly linked to the U.S. government could also be correspondingly affected by any downgrade. Instruments of this nature are often held as trading, investment or excess liquidity positions on the balance sheets of financial institutions, including BAC, and are widely used as collateral by financial institutions to raise cash in the secured financing markets. A downgrade of the sovereign credit ratings of the U.S. government and perceived creditworthiness of U.S. government-related obligations could impact BAC's ability to obtain funding that is collateralized by affected instruments, as well as affecting the pricing of that funding when it is available. A downgrade may also adversely affect the market value of such instruments.

BAC cannot predict if, when or how any changes to the credit ratings or perceived creditworthiness of these organizations will affect economic conditions. The credit rating agencies' ratings for BAC or its subsidiaries could be directly or indirectly impacted by a downgrade of the U.S. government's sovereign rating because credit ratings of large systemically important financial institutions issued by S&P and Fitch, including those of BAC its subsidiaries, currently include a degree of uplift due to rating agencies' assumptions concerning potential government support. In addition, BAC presently delivers a portion of the residential mortgage loans it originates into GSEs, agencies or instrumentalities (or instruments insured or guaranteed thereby). BAC cannot predict if, when or how any changes to the credit ratings of these organizations will affect their ability to finance residential mortgage loans.

A downgrade of the sovereign credit ratings of the U.S. government or the credit ratings of related institutions, agencies or instrumentalities would exacerbate the other risks to which BAC is subject and any related adverse effects on BAC's business, financial condition and results of operations.

BAC's businesses may be affected by uncertainty about the financial stability and growth rates of non-U.S. jurisdictions, the risk that those jurisdictions may face difficulties servicing their sovereign debt, and related stresses on financial markets, currencies and trade.

Risks and ongoing concerns about the financial stability of several non-U.S. jurisdictions could impact BAC's operations and have a detrimental impact on the global economic recovery. For instance, sovereign and non-sovereign debt levels remain elevated. Market and economic disruptions have affected, and may continue to affect, consumer confidence levels and spending, corporate investment and job creation, bankruptcy rates, levels of incurrence and default on consumer debt and corporate debt, economic growth rates and asset values, among other factors.

A number of non-U.S. jurisdictions in which BAC does business have been negatively impacted by slowing growth rates or recessionary conditions, market volatility and/or political unrest. Additionally, there can be no assurance that market stabilization in Europe, which has recently experienced a renewed slowdown and increased volatility, is sustainable, nor can there be any assurance that future assistance packages, if required, will be available or, even if provided, will be sufficient to stabilize the affected countries and markets in Europe or elsewhere. To the extent European economic recovery uncertainty continues to negatively impact consumer and business confidence and credit factors, or should the EU enter a deep recession, both the U.S. economy and BAC's business and results of operations could be adversely affected.

Global economic and political uncertainty, regulatory initiatives and reform have impacted, and will likely continue to impact, non-U.S. credit and trading portfolios. There can be no assurance BAC's risk mitigation efforts in this respect will be sufficient or successful.

For more information on BAC's exposures in the top 20 non-U.S. countries, see Non-U.S. Portfolio in

the MD&A on page 93 of the BAC 2014 Annual Report.

BAC may incur losses if the values of certain assets decline, including due to changes in interest rates and prepayment speeds.

BAC has a large portfolio of financial instruments, including, among others, certain loans and loan commitments, loans held-for-sale, securities financing agreements, asset-backed secured financings, long-term deposits, long-term debt, trading account assets and liabilities, derivative assets and liabilities, available-for-sale ("AFS") debt and equity securities, other debt securities, certain MSRs and certain other assets and liabilities that BAC measures at fair value. BAC determines the fair values of these instruments based on the fair value hierarchy under applicable accounting guidance. The fair values of these financial instruments include adjustments for market liquidity, credit quality, funding impact on certain derivatives and other transaction-specific factors, where appropriate.

Gains or losses on these instruments can have a direct impact on BAC's results of operations, including higher or lower mortgage banking income and earnings, unless BAC has effectively hedged its exposures. For example, decreases in interest rates and increases in mortgage prepayment speeds, which are influenced by interest rates and other factors such as reductions in mortgage insurance premiums and origination costs, could adversely impact the value of BAC's MSR asset, cause a significant acceleration of purchase premium amortization on BAC's mortgage portfolio, because a decline in long-term interest rates shortens the expected lives of the securities, and adversely affect BAC's net interest margin. Conversely, increases in interest rates may result in a decrease in residential mortgage loan originations. In addition, increases in interest rates may adversely impact the fair value of debt securities and, accordingly, for debt securities classified as AFS, may adversely affect accumulated other comprehensive income and, thus, capital levels.

Fair values may be impacted by declining values of the underlying assets or the prices at which observable market transactions occur and the continued availability of these transactions. The financial strength of counterparties, with whom BAC has economically hedged some of its exposure to these assets, also will affect the fair value of these assets. Sudden declines and volatility in the prices of assets may curtail or eliminate the trading activity for these assets, which may make it difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces BAC's ability to limit losses in such positions and the difficulty in valuing assets may increase BAC's risk-weighted assets, which requires BAC to maintain additional capital and increases BAC's funding costs.

Asset values also directly impact revenues in BAC's asset management businesses. BAC receives asset-based management fees based on the value of its clients' portfolios or investments in funds managed by it and, in some cases, BAC also receives performance fees based on increases in the value of such investments. Declines in asset values can reduce the value of BAC's clients' portfolios or fund assets, which in turn can result in lower fees earned for managing such assets.

For more information about fair value measurements, see Note 20 – Fair Value Measurements to the Consolidated Financial Statements of the BAC 2014 Annual Report. For more information about BAC's asset management businesses, see GWIM in the MD&A on page 42 of the BAC 2014 Annual Report. For more information about interest rate risk management, see Interest Rate Risk Management for Non-trading Activities in the MD&A on page 105 of the BAC 2014 Annual Report.

Changes in the method of determining the London Interbank Offered Rate ("LIBOR") or other reference rates may adversely impact the value of debt securities and other financial instruments BAC holds or issues that are linked to LIBOR or other reference rates in ways that are difficult to predict and could adversely impact BAC's financial condition or results of operations.

In recent years, concerns have been raised about the accuracy of the calculation of LIBOR. Aspects of the method for determining how LIBOR is formulated and its use in the market have changed and may continue to change. Effective February 1, 2014, the transfer of LIBOR administration to the ICE Benchmark Administration, Ltd. was completed following authorization by the U.K. Financial Conduct Authority. On July 22, 2014, the Financial Stability Board published its report recommending reforms to the administration of major benchmarks, including LIBOR. Changes to LIBOR administration include, but are not limited to, the introduction of statutory regulation of LIBOR by U.K. regulatory authorities; reducing the currencies for which LIBOR is calculated to five; reducing the tenors for which LIBOR is calculated to seven; delay in the publication of individual banks' LIBOR submissions

for three months from submission; and requiring banks to provide LIBOR submissions based on an effective methodology on the basis of relevant criteria and information, including observable market transactions where possible. Each such change and any future changes could impact the availability and volatility of LIBOR. Similar changes have occurred or may occur with respect to other reference rates. Accordingly, it is not currently possible to determine whether, or to what extent, any such changes would impact the value of any debt securities BAC holds or issues that are linked to LIBOR or other reference rates, or any loans, derivatives and other financial obligations or extensions of credit BAC holds or are due to it, or for which BAC is an obligor, that are linked to LIBOR or other reference rates, or whether, or to what extent, such changes would impact BAC's financial condition or results of operations.

Mortgage and Housing Market-Related Risk

BAC's mortgage loan repurchase obligations or claims from third parties could result in additional losses.

BAC and its legacy companies have sold significant amounts of residential mortgage loans. In connection with these sales, BAC or certain of its subsidiaries or legacy companies make or have made various representations and warranties, breaches of which may result in a requirement that BAC repurchase the mortgage loans, or otherwise make whole or provide other remedies to counterparties (collectively, "**repurchases**"). At December 31, 2014, BAC had approximately \$22.4 billion of unresolved repurchase claims, net of duplicate claims. These repurchase claims relate primarily to private-label securitizations and include claims in the amount of \$4.7 billion, net of duplicate claims, where BAC believes the statute of limitations has expired under current law. Private-label securitization unresolved repurchase claims have increased in recent periods, and such claims may continue to increase. In addition to unresolved repurchase claims, BAC has received notifications pertaining to loans for which it has not received a repurchase request from sponsors of third-party securitizations with whom BAC engaged in whole-loan transactions and for which BAC may owe indemnity obligations. BAC also from time to time receives correspondence purporting to raise representations and warranties breach issues from entities that do not have contractual standing or ability to bring such claims. BAC believes such communications to be procedurally and/or substantially invalid, and generally do not respond to such correspondence. In addition to repurchase claims, BAC receives notices from mortgage insurance companies of claim denials, cancellations or coverage rescission (collectively, "**MI rescission notices**"). Although they declined during 2014, the number of open MI rescission notices remains elevated.

BAC has recorded a liability of \$12.1 billion for obligations under representations and warranties exposures (which includes exposures related to MI rescission notices). BAC has also established an estimated range of possible loss of up to \$4 billion over its recorded liability. The liability for representations and warranties exposures and the corresponding estimated range of possible loss do not consider losses related to servicing (except as such losses are included as potential costs of the BNY Mellon Settlement (as defined below)), including foreclosure and related costs, fraud, indemnity, or claims (including for residential mortgage-backed securities) related to securities law or monoline litigations. Losses with respect to one or more of these matters could be material to BAC's results of operations or cash flows for any particular reporting period.

BAC's recorded liability and estimated range of possible loss for representations and warranties exposures are based on currently available information and are necessarily dependent on, and limited by, a number of factors, including BAC's historical claims and settlement experiences as well as significant judgment and a number of assumptions that are subject to change. As a result, BAC's liability and estimated range of possible loss related to BAC's representations and warranties exposures may materially change in the future. Additionally, if final court approval of the settlement with the Bank of New York Mellon, as trustee ("**BNY Mellon Settlement**") is not obtained, or if BAC and legacy Countrywide Financial Corporation determine to withdraw from the BNY Mellon Settlement agreement in accordance with its terms, BAC's future representations and warranties losses could be substantially different from existing accruals and the existing estimated range of possible loss. If future representations and warranties losses occur in excess of BAC's recorded liability and estimated range of possible loss, such losses could have an adverse effect on BAC's cash flows, financial condition and results of operations.

For more information about BAC's representations and warranties exposure, including the estimated

range of possible loss, see Off-Balance Sheet Arrangements and Contractual Obligations – Representations and Warranties in the MD&A on page 50, Consumer Portfolio Credit Risk Management in the MD&A on page 70 and Note 7 – Representations and Warranties Obligations and Corporate Guarantees to the Consolidated Financial Statements, each of the BAC 2014 Annual Report. For more information regarding the BNY Mellon Settlement, see Note 7 – Representations and Warranties Obligations and Corporate Guarantees to the Consolidated Financial Statements of the BAC 2014 Annual Report.

Failure to satisfy BAC's obligations as servicer for residential mortgage securitizations, along with other losses BAC could incur in its capacity as servicer, and continued foreclosure delays and/or investigations into BAC's residential mortgage foreclosure practices could cause losses.

BAC and its legacy companies have securitized a significant portion of the residential mortgage loans that BAC originated or acquired. BAC services a large portion of the loans it has securitized and also services loans on behalf of third-party securitization vehicles and other investors. At December 31, 2014, BAC serviced approximately 5.3 million loans with an aggregate unpaid principal balance of \$693 billion, including loans owned by BAC and by others. Of the 3.2 million loans serviced for others, approximately 67 per cent. are held in GSE securitization vehicles and 33 per cent. are held in non-GSE securitization vehicles or by other investors. If BAC commits a material breach of its obligations as servicer or master servicer, BAC may be subject to termination if the breach is not cured within a specified period of time following notice, which could cause BAC to lose servicing income. In addition, for loans held in non-GSE securitization vehicles, BAC may have liability for any failure by it, as a servicer or master servicer, for any act or omission on BAC's part that involves willful misfeasance, bad faith, gross negligence or reckless disregard of its duties. If any such breach were found to have occurred, it may harm BAC's reputation, increase BAC's servicing costs or adversely impact BAC's results of operations. Additionally, with respect to foreclosures, BAC may incur costs or losses due to irregularities in the underlying documentation, or if the validity of a foreclosure action is challenged by a borrower or overturned by a court because of errors or deficiencies in the foreclosure process. BAC may also incur costs or losses relating to delays or alleged deficiencies in processing documents necessary to comply with state law governing foreclosures.

BAC is subject to certain legal and contractual requirements for how BAC holds, transfers, uses or enforces promissory notes, security instruments and other documents for residential mortgage loans that BAC services. In recent years, challenges have been raised to whether BAC has adhered to these requirements, and whether, as a result in some instances, the loans can be enforced as local law otherwise would permit. Additionally, BAC currently uses the Mortgage Electronic Registration Systems, Inc. ("MERS") system for approximately half of the residential mortgage loans that remain in its servicing portfolio. Individual borrowers and certain local governments have contended that the use of MERS is improper or otherwise adversely affects the security interest. If documentation requirements were not met, or if the use of MERS or the MERS system is found not valid or effective, BAC could be obligated to, or choose to, take remedial actions and may be subject to additional costs or losses.

For additional information, Off-Balance Sheet Arrangements and Contractual Obligations in the MD&A on page 50 of the BAC 2014 Annual Report.

If the U.S. housing market weakens, or home prices decline, BAC's consumer loan portfolios, credit quality, credit losses, representations and warranties exposures, and earnings may be adversely affected.

Although U.S. home prices continued to improve during 2014, the declines in prior years have negatively impacted the demand for many of BAC's products. Additionally, BAC's mortgage loan production volume is generally influenced by the rate of growth in residential mortgage debt outstanding and the size of the residential mortgage market.

Conditions in the U.S. housing market in prior years have also resulted in significant write-downs of asset values in several asset classes, notably mortgage-backed securities, and increased exposure to monolines. If the U.S. housing market were to weaken, the value of real estate could decline, which could negatively affect BAC's exposure to representations and warranties. While there were continued indications in 2014 that the U.S. economy is improving, the performance of BAC's overall consumer portfolios may not significantly improve in the near future. A protracted continuation or worsening of

difficult housing market conditions may exacerbate the adverse effects outlined above and could have an adverse effect on BAC's financial condition and results of operations.

In addition, BAC's home equity portfolio, which makes up approximately 28 per cent. of BAC's total home loans portfolio, contains a significant percentage of loans in second-lien or more junior-lien positions, and such loans have elevated risk characteristics. BAC's home equity portfolio had an outstanding balance of \$85.7 billion as of December 31, 2014, including \$74.2 billion of home equity lines of credit ("**HELOC**"), \$9.8 billion of home equity loans and \$1.7 billion of reverse mortgages. Of the total home equity portfolio at December 31, 2014, \$20.6 billion, or 24 per cent., were in first-lien positions (26 per cent. excluding the PCI home equity portfolio) and \$65.1 billion, or 76 per cent. (74 per cent. excluding the PCI home equity portfolio) were in second-lien or more junior-lien positions. The HELOCs that have entered the amortization period have experienced a higher percentage of early stage delinquencies and nonperforming status when compared to the HELOC portfolio as a whole. Loans in BAC's HELOC portfolio generally have an initial draw period of 10 years and more than 75 per cent. of these loans will not enter their amortization period until 2016 or later. As a result, delinquencies and defaults may increase in future periods. For additional information, see Off-Balance Sheet Arrangements and Contractual Obligations in the MD&A on page 50 and Consumer Portfolio Credit Risk Management on page 70 of the BAC 2014 Annual Report.

Regulatory, Compliance and Legal Risk

U.S. federal banking agencies may require BAC to hold higher levels of regulatory capital, increase its regulatory capital ratios or increase liquidity, which could result in the need to issue additional securities that qualify as regulatory capital or to take other actions, such as to sell company assets.

BAC is subject to the Federal Reserve's risk-based capital rules. These rules establish regulatory capital requirements for banking institutions to meet minimum requirements as well as to qualify as a "well-capitalized" institution. If any of BAC's subsidiary insured depository institutions fail to maintain its status as "well-capitalized" under the applicable regulatory capital rules, the Federal Reserve will require BAC to agree to bring the insured depository institution or institutions back to "well-capitalized" status. For the duration of such an agreement, the Federal Reserve may impose restrictions on BAC's activities. If BAC was to fail to enter into such an agreement, or fail to comply with the terms of such agreement, the Federal Reserve may impose more severe restrictions on BAC's activities, including requiring BAC to cease and desist activities permitted under the U.S. Bank Holding Company Act of 1956, as amended.

The current regulatory environment is fluid, with requirements frequently being introduced and amended. It is possible that increases in regulatory capital requirements, changes in how regulatory capital is calculated or increases to liquidity requirements could cause BAC to increase BAC's capital levels by issuing additional common stock, thus diluting BAC's existing shareholders, or by taking other actions, such as selling company assets, in order to maintain BAC's "well-capitalized" status.

In October 2013, the Federal Reserve, the Federal Deposit Insurance Corporation ("**FDIC**") and the Office of the Comptroller of the Currency ("**OCC**") (the "**Agencies**," or "**U.S. banking regulators**") published the final Basel 3 regulatory capital rules ("**Basel 3**"). Basel 3 materially changes Tier 1 and Total capital calculations and formally establishes a Common equity tier 1 capital ratio, notably phasing out trust preferred securities. Additionally, Basel 3 introduces new minimum capital ratios and buffer requirements and a supplementary leverage ratio ("**SLR**"), changes the composition of regulatory capital, revises the adequately capitalized minimum requirements under the Prompt Corrective Action ("**PCA**") framework, expands and modifies the risk-sensitive calculation of risk weighted-assets for credit and market risk (the "**Advanced approaches**") and introduces a Standardized approach for the calculation of risk-weighted assets, which serves as a minimum. Changes to the composition of regulatory capital under Basel 3, as compared to the Basel 1 – 2013 Rules, are subject to a transition period. The new minimum capital ratio requirements and related buffers will be phased in from January 1, 2014 through January 1, 2019. When presented on a fully phased-in basis, capital, risk-weighted assets and the capital ratios assume all regulatory capital adjustments and deductions are fully recognized. The Advanced approaches require approval by the Agencies of BAC's internal analytical models used to calculate risk-weighted assets. As an advanced approaches bank, under Basel 3, BAC is required to complete a qualification period ("**parallel run**") to demonstrate compliance with the final Basel 3 rules to the satisfaction of U.S. banking regulators. BAC's estimates under the Basel 3 Advanced approaches may be refined over time as a result of further

rulemaking or clarification by U.S. banking regulators or as BAC's understanding and interpretation of the rules evolve. BAC is currently working with the U.S. banking regulators to obtain approval of certain internal analytical models including the wholesale (e.g., commercial) and other credit models in order to exit parallel run. The U.S. banking regulators have indicated that they will require modifications to these models which would likely result in a material increase in BAC's risk-weighted assets resulting in a decrease in BAC's capital ratios.

In April 2014, the Agencies adopted a final rule to strengthen the SLR standards for the largest U.S. banking organizations by requiring such institutions to maintain a leverage buffer greater than 2.0 percentage points above the minimum SLR requirement of 3.0 per cent., for a total of greater than 5.0 per cent., to avoid restrictions on capital distributions and variable compensation payments. Banking subsidiaries of such organizations are required to maintain at least a six per cent. SLR to be considered "well capitalized" under the PCA framework. In addition, in September 2014, the Agencies adopted a final rule modifying the definition of the denominator of the SLR in a manner consistent with changes adopted by the Basel Committee on Banking Supervision (Basel Committee) to better capture on- and off-balance sheet exposures, including credit derivatives, repo-style transactions, and lines of credit.

In September 2014, the Agencies issued a final Liquidity Coverage Ratio ("LCR") rule. This rule creates a standardized minimum liquidity requirement for the largest U.S. financial institutions. The rule will require an institution to hold high quality liquid assets ("HQLA"), such as central bank reserves and government debt that can be converted easily and quickly into cash, in an amount equal to or greater than prescribed net cash outflows during a 30-day stress period. In October 2014, the Basel Committee issued its final standard for the Net Stable Funding Ratio ("NSFR") regulation. The NSFR requires banks to maintain a stable funding profile in relation to their on- and off-balance sheet activities. Although the timing is uncertain, the Agencies are expected to propose similar regulation for the NSFR in the near future.

In November 2014, the Financial Stability Board, in consultation with the Basel Committee, issued for public consultation a proposal for a common international standard on total loss-absorbing capacity ("TLAC") for global systemically important banks ("GSIBs"). Although the timing is uncertain, the Agencies are expected to propose TLAC regulation in the near future.

In December 2014, a U.S. banking regulator proposed a regulation that would implement GSIB surcharge requirements for the largest U.S. bank holding companies ("BHCs"). The proposed rule would require such organizations to calculate a GSIB capital buffer that is the higher of the GSIB's capital buffer proposed by the Basel Committee in 2012 and a modified capital buffer with a short-term wholesale funding component. As proposed, the Federal Reserve estimates that the GSIB surcharge requirements, which currently ranges from 1.0 per cent. to 4.5 per cent., would require BAC to hold Common equity tier 1 capital in excess of regulatory minimums and the capital conservation buffer. Consequences of falling below this level are expected to include limitations on capital distributions and variable compensation payments.

Compliance with the regulatory capital and liquidity requirements may impact BAC's ability to return capital to shareholders and may impact BAC's operations by requiring it to liquidate assets, increase borrowings, issue additional equity or other securities, cease or alter certain operations, or hold highly liquid assets, which may adversely affect BAC's results of operations.

For additional information, see Capital Management and Liquidity Risk – Basel 3 Liquidity Standards on pages 59 and 67 of the BAC 2014 Annual Report.

BAC is subject to extensive government legislation and regulations, both domestically and internationally, which impact its operating costs and could require BAC to make changes to its operations, which could result in an adverse impact on BAC's results of operations. Additionally, these regulations, and certain consent orders and settlements BAC has entered into, have increased and will continue to increase BAC's compliance and operational costs.

BAC is subject to extensive laws and regulations promulgated by U.S. state, U.S. federal and non-U.S. laws in the jurisdictions in which it operates. In response to the financial crisis, the U.S. adopted the Financial Reform Act, which has resulted in significant rulemaking and proposed rulemaking by the U.S. Department of the Treasury, the Federal Reserve, the OCC, the Consumer Financial Protection Bureau, Financial Stability Oversight Council, the FDIC, the SEC and CFTC. In addition, non-U.S.

regulators, such as the U.K. financial regulators and the European Parliament and Commission, have adopted or have proposed laws and regulations regarding financial institutions located in their jurisdictions.

The ultimate impact of these laws and regulations remains uncertain. For example, BAC is required to annually submit a resolution plan to the FDIC and the Federal Reserve. If the FDIC and Federal Reserve jointly determine that BAC's resolution plan is not credible and BAC fails to cure the deficiencies in a timely manner, they could impose more stringent capital, leverage or liquidity requirements or restrictions on growth, activities or operations of BAC, and BAC could be required to take certain actions that could impose operating costs and could potentially result in the divestiture or restructuring of certain businesses and subsidiaries. In August 2014, the Federal Reserve and the FDIC completed their reviews of the resolution plans submitted in 2013 by 11 large, complex banking organizations, including Bank of America, and issued letters to each of these banking organizations. Separately, in August 2014, the Federal Reserve and the FDIC issued a joint press release stating that the Board of Directors of the FDIC had determined that the plans submitted by each of the 11 banks were not credible and do not facilitate an orderly resolution under the U.S. Bankruptcy Code. However, the Federal Reserve did not join the FDIC in its determination that the submitted plans were not credible. Many rules are still being finalized, and upon finalization could require additional regulatory guidance and interpretation. Additionally, laws proposed by different jurisdictions could create competing or conflicting requirements.

BAC is also subject to other significant regulations, such as the U.S. Office of Foreign Assets Control, the U.S. Foreign Corrupt Practices Act of 1977, as amended, and U.S. and international anti-money laundering regulations. Laws proposed by different jurisdictions could create competing or conflicting requirements. BAC could become subject to regulatory requirements beyond those currently proposed, adopted or contemplated. BAC is currently subject to the terms of settlements and consent orders that it has entered into with government agencies, such as the 2011 OCC Consent Order entered into between BANA and the OCC and the National Mortgage Settlement entered into in March 2012 among BAC, the U.S. Department of Justice, 49 State Attorneys General and certain federal agencies, and may become subject to additional settlements or orders in the future.

While BAC believes that it has adopted appropriate risk management and compliance programs, compliance risks will continue to exist, particularly as BAC adapts to new rules and regulations. BAC's regulators have assumed an increasingly active oversight, inspection and investigatory role over BAC's operations and the financial services industry generally. In addition, legal and regulatory proceedings and other contingencies will arise from time to time that may result in fines, penalties, equitable relief and changes to BAC's business practices. As a result, BAC is and will continue to be subject to heightened compliance and operating costs that could adversely affect BAC's results of operations.

Changes in the structure of the GSEs and the relationship among the GSEs, the government and the private markets, or the conversion of the current conservatorship of the GSEs into receivership, could result in significant changes to BAC's business operations and may adversely impact its business.

During 2013 and 2014, BAC sold approximately \$65 billion of loans to the GSEs. Each GSE is currently in a conservatorship, with its primary regulator, the Federal Housing Finance Agency, acting as conservator. BAC cannot predict if, when or how the conservatorships will end, or any associated changes to the GSEs' business structure that could result. BAC also cannot predict whether the conservatorships will end in receivership. There are several proposed approaches to reform the GSEs that, if enacted, could change the structure of the GSEs and the relationship among the GSEs, the government and the private markets, including the trading markets for agency conforming mortgage loans and markets for mortgage-related securities in which BAC participates. BAC cannot predict the prospects for the enactment, timing or content of legislative or rulemaking proposals regarding the future status of the GSEs. Accordingly, there continues to be uncertainty regarding the future of the GSEs, including whether they will continue to exist in their current form.

BAC is subject to significant financial and reputational risks from potential liability arising from lawsuits, regulatory and government action.

BAC faces significant legal risks in its business, and the volume of claims and amount of damages, penalties and fines claimed in litigation, and regulatory and government proceedings against BAC and

other financial institutions remain high. Increased litigation and investigation costs, substantial legal liability or significant regulatory or government action against BAC could have adverse effects on its financial condition and results of operations or cause significant reputational harm to BAC, which in turn could adversely impact BAC's business prospects. BAC continues to experience increased litigation and other disputes, including claims for contractual indemnification, with counterparties regarding relative rights and responsibilities. Consumers, clients and other counterparties have grown more litigious. BAC's experience with certain regulatory authorities suggests an increasing supervisory focus on enforcement, including in connection with alleged violations of law and customer harm. Recent actions by regulators and government agencies indicate that they may, on an industry basis, increasingly pursue claims under the U.S. Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("**FIRREA**"), and the U.S. False Claims Act. FIRREA contemplates civil monetary penalties as high as \$1.1 million per violation or, if permitted by the court, based on pecuniary gain derived or pecuniary loss suffered as a result of the violation. Treble damages are potentially available for False Claims Act claims. The ongoing environment of additional regulation, increased regulatory compliance burdens, and enhanced regulatory enforcement, combined with ongoing uncertainty related to the continuing evolution of the regulatory environment, has resulted in operational and compliance costs and may limit BAC's ability to continue providing certain products and services.

For more information on litigation risks, see Note 12 – Commitments and Contingencies to the Consolidated Financial Statements of the BAC 2014 Annual Report.

BAC may be adversely affected by changes in U.S. and non-U.S. tax and other laws and regulations.

The U.S. Congress and the Administration have indicated an interest in reforming the U.S. corporate income tax code. Possible approaches include lowering the 35 per cent. corporate tax rate, modifying the taxation of income earned outside the United States and limiting or eliminating various other deductions, tax credits and/or other tax preferences. Also, it is possible that New York City will enact corporate tax reform that may conform to New York state's tax reform enacted during 2014. It is not possible at this time to quantify either the one-time impacts from the remeasurement of deferred tax assets and liabilities that might result upon tax reform enactment or the ongoing impacts reform proposals might have on income tax expense.

In addition, income from certain non-U.S. subsidiaries has not been subject to U.S. income tax as a result of long-standing deferral provisions applicable to income that is derived in the active conduct of a banking and financing business abroad. These deferral provisions have expired for taxable years beginning on or after January 1, 2015. However, the U.S. Congress has extended these provisions several times, most recently in December 2014, when it reinstated the provisions retroactively to January 2014. Congress this year may similarly consider reinstating these provisions to apply to the 2015 taxable year. Absent an extension, active financing income earned by certain non-U.S. subsidiaries will generally be subject to a tax provision that considers incremental U.S. income tax. The impact of the expiration of these provisions would depend upon the amount, composition and geographic mix of BAC's future earnings.

BAC has \$7.7 billion of U.K. net deferred tax assets which consist primarily of net operating losses ("**NOLs**") that are expected to be realized by certain subsidiaries over an extended number of years. Pretax income for these subsidiaries for 2014, 2013 and 2012 on a cumulative basis totaled \$1.7 billion, excluding the impact of debit valuation adjustments ("**DVA**") and the adoption impact of a funding valuation adjustment ("**FVA**"). In December 2014, the U.K. Treasury announced that its 2015 Finance Bill, to be introduced soon, will include a proposal that, if enacted, would limit the amount of a bank's taxable profits that can be reduced by the bank's existing NOLs to 50 per cent. of such profits. This proposal would significantly increase the number of years over which BAC's U.K. NOLs, which may be carried forward indefinitely, could be utilized, effectively accelerating U.K. tax that would otherwise have been paid further out in the future. The acceleration of tax and deferral of NOL utilization would not impact BAC's results of operations, but would result in a slower improvement in the amount of BAC's deferred tax assets disallowed for Basel 3 regulatory capital. BAC is unable to predict whether this proposal will be enacted or, if enacted, what the final provisions will be. Adverse developments with respect to tax laws or to other material factors, such as a prolonged worsening of Europe's capital markets, could lead management to reassess and/or change its current conclusion that no valuation allowance is necessary with respect to BAC's U.K. net deferred tax assets.

Other countries have also proposed and adopted certain regulatory changes targeted at financial institutions or that otherwise affect BAC. The EU has adopted increased capital requirements and the U.K. has (i) increased liquidity requirements for local financial institutions, including regulated U.K. subsidiaries of non-U.K. BHCs and other financial institutions as well as branches of non-U.K. banks located in the U.K.; (ii) adopted a Bank Levy, which applies to the aggregate balance sheet of branches and subsidiaries of non-U.K. banks and banking groups operating in the U.K.; and (iii) proposed the creation and production of recovery and resolution plans by U.K.-regulated entities.

Risk of the Competitive Environment in which BAC Operates

BAC faces significant and increasing competition in the financial services industry.

BAC operates in a highly competitive environment. Over time, there has been substantial consolidation among companies in the financial services industry. This trend has also hastened the globalization of the securities and financial services markets. BAC will continue to experience intensified competition as consolidation in and globalization of the financial services industry may result in larger, better-capitalized and more geographically diverse companies that are capable of offering a wider array of financial products and services at more competitive prices. To the extent BAC expands into new business areas and new geographic regions, BAC may face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect BAC's ability to compete. In addition, technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions to compete with technology companies in providing electronic and internet-based financial solutions. Increased competition may negatively affect BAC's earnings by creating pressure to lower prices on BAC's products and services and/or reducing market share.

Damage to BAC's reputation could harm its businesses, including BAC's competitive position and business prospects.

BAC's ability to attract and retain customers, clients, investors and employees is impacted by BAC's reputation. BAC continues to face increased public and regulatory scrutiny resulting from the financial crisis and economic downturn as well as alleged irregularities in servicing, foreclosure, consumer collections, mortgage loan modifications and other practices, compensation practices, and the suitability or reasonableness of recommending particular trading or investment strategies.

Harm to BAC's reputation can also arise from other sources, including employee misconduct, unethical behavior, litigation or regulatory outcomes, failing to deliver minimum or required standards of service and quality, compliance failures, unintended disclosure of confidential information, and the activities of BAC's clients, customers and counterparties, including vendors. Actions by the financial services industry generally or by certain members or individuals in the industry also can adversely affect BAC's reputation.

BAC is subject to complex and evolving laws and regulations regarding privacy, data protections and other matters. Principles concerning the appropriate scope of consumer and commercial privacy vary considerably in different jurisdictions, and regulatory and public expectations regarding the definition and scope of consumer and commercial privacy may remain fluid in the future. It is possible that these laws may be interpreted and applied by various jurisdictions in a manner inconsistent with BAC's current or future practices, or that is inconsistent with one another. BAC faces regulatory, reputational and operational risks if personal, confidential or proprietary information of customers or clients in BAC's possession is mishandled or misused.

BAC could suffer reputational harm if it fails to properly identify and manage potential conflicts of interest. Management of potential conflicts of interests has become increasingly complex as BAC expands its business activities through more numerous transactions, obligations and interests with and among its clients. The failure to adequately address, or the perceived failure to adequately address, conflicts of interest could affect the willingness of clients to deal with BAC, or give rise to litigation or enforcement actions, which could adversely affect BAC's businesses.

BAC's actual or perceived failure to address these and other issues gives rise to reputational risk that could cause harm to BAC and its business prospects, including failure to properly address operational

risks. Failure to appropriately address any of these issues could also give rise to additional regulatory restrictions, legal risks and reputational harm, which could, among other consequences, increase the size and number of litigation claims and damages asserted or subject BAC to enforcement actions, fines and penalties and cause BAC to incur related costs and expenses.

BAC's ability to attract and retain qualified employees is critical to the success of its business and failure to do so could hurt BAC's business prospects and competitive position.

BAC's performance is heavily dependent on the talents and efforts of highly skilled individuals. Competition for qualified personnel within the financial services industry and from businesses outside the financial services industry has been, and is expected to continue to be, intense. BAC's competitors include non-U.S. based institutions and institutions subject to different compensation and hiring regulations than those imposed on U.S. institutions and financial institutions. The difficulty BAC faces in competing for key personnel is exacerbated in emerging markets, where BAC is often competing for qualified employees with entities that may have a significantly greater presence or more extensive experience in the region. In order to attract and retain qualified personnel, BAC must provide market-level compensation. As a large financial and banking institution, BAC may be subject to limitations on compensation practices (which may or may not affect BAC's competitors) by the Federal Reserve, the FDIC or other regulators around the world. For instance, recent EU rules limit and subject to clawback certain forms of variable compensation for senior employees. Current and potential future limitations on executive compensation imposed by legislation or regulation could adversely affect BAC's ability to attract and maintain qualified employees. Furthermore, a substantial portion of BAC's annual incentive compensation paid to its senior employees has in recent years taken the form of long-term equity awards. Therefore, the ultimate value of this compensation depends on the price of BAC's common stock when the awards vest. If BAC is unable to continue to attract and retain qualified individuals, BAC's business prospects and competitive position could be adversely affected. In addition, if BAC fails to retain the wealth advisors that it employs in Global Wealth & Investment Management, particularly those with significant client relationships, such failure could result in a loss of clients or the withdrawal of significant client assets.

BAC's inability to adapt its products and services to evolving industry standards and consumer preferences could harm its business.

BAC's business model is based on a diversified mix of business that provides a broad range of financial products and services, delivered through multiple distribution channels. BAC's success depends on its ability to adapt its products and services to evolving industry standards. There is increasing pressure by competitors to provide products and services at lower prices. This can reduce BAC's net interest margin and revenues from its fee-based products and services. In addition, the widespread adoption of new technologies, including internet services and payment systems, could require BAC to incur substantial expenditures to modify or adapt BAC's existing products and services. BAC might not be successful in developing or introducing new products and services, responding or adapting to changes in consumer spending and saving habits, achieving market acceptance of BAC's products and services, or sufficiently developing and maintaining loyal customers.

BAC may not be able to achieve expected cost savings from cost-saving initiatives or in accordance with currently anticipated time frames.

BAC is currently engaged in efforts to achieve cost savings. For example, BAC currently expects its Legacy Assets and Servicing costs, excluding litigation costs, to decrease to approximately \$800 million per quarter by the end of 2015. BAC may be unable to fully realize the cost savings and other anticipated benefits from its cost saving initiatives or in accordance with currently anticipated timeframes. In addition, BAC's litigation expense may vary from period to period and may cause BAC's noninterest expense to increase for any particular period even if BAC otherwise achieves cost savings as the result of its cost savings initiatives or otherwise.

Risks Related to Risk Management

BAC's risk management framework may not be effective in mitigating risk and reducing the potential for losses.

BAC's risk management framework is designed to minimize risk and loss to BAC. BAC seeks to

identify, measure, monitor, report and control its exposure to the types of risk to which BAC is subject, including strategic, credit, market, liquidity, compliance, operational and reputational risks, among others. While BAC employs a broad and diversified set of risk monitoring and mitigation techniques, including hedging strategies and techniques that seek to balance BAC's ability to profit from trading positions with BAC's exposure to potential losses, those techniques are inherently limited because they cannot anticipate the existence or future development of currently unanticipated or unknown risks. The Volcker Rule may impact BAC's ability to engage in certain hedging strategies. Recent economic conditions, heightened legislative and regulatory scrutiny of the financial services industry and increases in the overall complexity of BAC's operations, among other developments, have resulted in a heightened level of risk for BAC. Accordingly, BAC could suffer losses as a result of its failure to properly anticipate and manage these risks.

For more information about BAC's risk management policies and procedures, see Managing Risk in the MD&A on page 55 of the BAC 2014 Annual Report.

A failure in or breach of BAC's operational or security systems or infrastructure, or those of third parties, could disrupt BAC's businesses, and adversely impact BAC's results of operations, cash flows, liquidity and financial condition, as well as cause reputational harm.

The potential for operational risk exposure exists throughout BAC's organization and as a result of BAC's interactions with third parties, and is not limited to BAC's operational functions. BAC's operational and security systems, infrastructure, including BAC's computer systems, data management, and internal processes, as well as those of third parties, are integral to BAC's performance. In addition, BAC relies on its employees and third parties in BAC's day-to-day and ongoing operations, who may, as a result of human error or malfeasance or failure or breach of third-party systems or infrastructure, expose BAC to risk. BAC has taken measures to implement backup systems and other safeguards to support its operations, but BAC's ability to conduct business may be adversely affected by any significant disruptions to BAC or to third parties with whom BAC interacts. In addition, BAC's ability to implement backup systems and other safeguards with respect to third-party systems is more limited than with respect to BAC's own systems. BAC's financial, accounting, data processing, backup or other operating or security systems and infrastructure may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond BAC's control which could adversely affect BAC's ability to process these transactions or provide these services. There could be sudden increases in customer transaction volume; electrical, telecommunications or other major physical infrastructure outages; natural disasters such as earthquakes, tornadoes, hurricanes and floods; disease pandemics; and events arising from local or larger scale political or social matters, including terrorist acts. BAC continuously updates these systems to support its operations and growth. This updating entails significant costs and creates risks associated with implementing new systems and integrating them with existing ones. Operational risk exposures could adversely impact BAC's results of operations, cash flows, liquidity and financial condition, as well as cause reputational harm.

A cyber attack, information or security breach, or a technology failure of BAC or of a third party could adversely affect BAC's ability to conduct its business, manage its exposure to risk or expand its businesses, result in the disclosure or misuse of confidential or proprietary information, increase BAC's costs to maintain and update its operational and security systems and infrastructure, and adversely impact BAC's results of operations, cash flows, liquidity and financial condition, as well as cause reputational harm.

BAC's businesses are highly dependent on the security and efficacy of its infrastructure, computer and data management systems, as well as those of third parties with whom BAC interacts. Cyber security risks for financial institutions have significantly increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign state actors. BAC's businesses rely on the secure processing, transmission, storage and retrieval of confidential, proprietary and other information in its computer and data management systems and networks, and in the computer and data management systems and networks of third parties. BAC relies on digital technologies, computer, database and email systems, software, and networks to conduct BAC's operations. In addition, to access BAC's network, products and services, BAC's customers and other third parties may use personal mobile devices or computing devices that are outside of BAC's network environment. BAC, its

customers, regulators and other third parties have been subject to, and are likely to continue to be the target of, cyber attacks, including computer viruses, malicious or destructive code, phishing attacks, denial of service or information or other security breaches, that could result in the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of BAC, its employees, its customers or of third parties, or otherwise materially disrupt BAC's or its customers' or other third parties' network access or business operations. For example, in recent years, BAC has been subject to malicious activity, including distributed denial of service attacks. Additionally, several large retailers have disclosed substantial cyber security breaches affecting debit and credit card accounts of their customers, some of whom were BAC's cardholders. Although these incidents have not, to date, had a material impact on BAC, BAC believes that such incidents will continue, and BAC is unable to predict the severity of such future attacks on it. BAC's counterparties, regulators, customers and clients, and other third parties with whom BAC or its customers and clients interact are exposed to similar incidents, and incidents affecting those third parties could impact BAC.

Although to date BAC has not experienced any material losses or other material consequences relating to technology failure, cyber attacks or other information or other security breaches, there can be no assurance that BAC will not suffer such losses or other consequences in the future. BAC's risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, BAC's prominent size and scale, and BAC's role in the financial services industry and the broader economy, BAC's plans to continue to implement BAC's internet banking and mobile banking channel strategies and develop additional remote connectivity solutions to serve BAC's customers when and how they want to be served, BAC's continuous transmission of sensitive information to, and storage of such information by, third parties, including BAC's vendors and regulators, BAC's expanded geographic footprint and international presence, the outsourcing of some of BAC's business operations, the continued uncertain global economic environment, threats of cyber terrorism, external extremist parties, including foreign state actors, in some circumstances as a means to promote political ends, and system and customer account updates and conversions. As a result, cyber security and the continued development and enhancement of BAC's controls, processes and practices designed to protect BAC's systems, computers, software, data and networks from attack, damage or unauthorised access remain a priority for BAC. As cyber threats continue to evolve, BAC may be required to expend significant additional resources to continue to modify or enhance its protective measures or to investigate and remediate any information security vulnerabilities or incidents.

BAC also faces indirect technology, cyber security and operational risks relating to the third parties with whom BAC does business or upon whom BAC relies to facilitate or enable its business activities. In addition to customers and clients, the third parties with whom BAC interacts and upon whom BAC relies include financial counterparties; financial intermediaries such as clearing agents, exchanges and clearing houses; vendors; regulators; providers of critical infrastructure such as internet access and electrical power, and retailers for whom BAC processes transactions. Each of these third parties faces the risk of cyber attack, information breach or loss, or technology failure. Any such cyber attack, information breach or loss, or technology failure of a third party could, among other things, adversely affect BAC's ability to effect transactions, service its clients, manage its exposure to risk or expand its businesses. As a result of financial entities and technology systems becoming more interdependent and complex, a cyber incident, information breach or loss, or technology failure that significantly degrades, deletes or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including BAC. For example, in recent years, there has been significant consolidation among clearing agents, exchanges and clearing houses and increased interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses. This consolidation and interconnectivity increases the risk of operational failure, on both individual and industry-wide bases, as disparate complex systems need to be integrated, often on an accelerated basis. Any such cyber attack, information breach or loss, failure, termination or constraint could, among other things, adversely affect BAC's ability to effect transactions, service its clients, manage its exposure to risk or expand its businesses.

Any of the matters discussed above could result in BAC's loss of customers and business opportunities, significant business disruption to BAC's operations and business, misappropriation or destruction of BAC's confidential information and/or that of its customers, or damage to BAC's customers' and/or third parties' computers or systems, and could result in a violation of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in BAC's security measures, reputational damage, reimbursement or other compensatory costs, and additional compliance costs. In addition, any of the matters described above could adversely impact BAC's results

of operations, cash flows, liquidity and financial condition.

Risk of Being an International Business

BAC is subject to numerous political, economic, market, reputational, operational, legal, regulatory and other risks in the non-U.S. jurisdictions in which it operates.

BAC does business throughout the world, including in developing regions of the world commonly known as emerging markets. BAC's businesses and revenues derived from non-U.S. jurisdictions are subject to risk of loss from currency fluctuations, social or judicial instability, changes in governmental policies or policies of central banks, expropriation, nationalization and/or confiscation of assets, price controls, capital controls, exchange controls, other restrictive actions, unfavorable political and diplomatic developments, oil price fluctuation and changes in legislation. These risks are especially elevated in emerging markets. A number of non-U.S. jurisdictions in which BAC does business have been negatively impacted by slowing growth rates or recessionary conditions, market volatility and/or political unrest. Several emerging market economies are particularly vulnerable to the impact of rising interest rates, inflationary pressures, weaker oil and other commodity prices, large external deficits, and political uncertainty. While some of these jurisdictions are showing signs of stabilization or recovery, others, such as Russia and Greece, continue to experience increasing levels of stress and volatility. In addition, the potential risk of default on sovereign debt in some non-U.S. jurisdictions could expose BAC to substantial losses. Risks in one country can limit BAC's opportunities for portfolio growth and negatively affect BAC's operations in another country or countries, including BAC's operations in the United States. As a result, any such unfavorable conditions or developments could have an adverse impact on BAC.

BAC's non-U.S. businesses are also subject to extensive regulation by various regulators, including governments, securities exchanges, central banks and other regulatory bodies, in the jurisdictions in which those businesses operate. In many countries, the laws and regulations applicable to the financial services and securities industries are uncertain and evolving, and it may be difficult for BAC to determine the exact requirements of local laws in every market or manage BAC's relationships with multiple regulators in various jurisdictions. BAC's potential inability to remain in compliance with local laws in a particular market and manage BAC's relationships with regulators could have an adverse effect not only on BAC's businesses in that market but also on BAC's reputation generally.

BAC also invests or trades in the securities of corporations and governments located in non-U.S. jurisdictions, including emerging markets. Revenues from the trading of non-U.S. securities may be subject to negative fluctuations as a result of the above factors. Furthermore, the impact of these fluctuations could be magnified, because non-U.S. trading markets, particularly in emerging market countries, are generally smaller, less liquid and more volatile than U.S. trading markets.

In addition to non-U.S. legislation, BAC's international operations are also subject to U.S. legal requirements. For example, BAC's international operations are subject to U.S. laws on foreign corrupt practices, the Office of Foreign Assets Control, and anti-money laundering regulations.

BAC is subject to geopolitical risks, including acts or threats of terrorism, and actions taken by the United States or other governments in response thereto and/or military conflicts, which could adversely affect business and economic conditions abroad as well as in the United States.

For more information on BAC's non-U.S. credit and trading portfolios, see Non-U.S. Portfolio in the MD&A on page 93 of the BAC 2014 Annual Report.

Risk from Accounting Changes

Changes in accounting standards or inaccurate estimates or assumptions in applying accounting policies could adversely affect BAC.

BAC's accounting policies and methods are fundamental to how BAC records and reports its financial condition and results of operations. Some of these policies require use of estimates and assumptions that may affect the reported value of BAC's assets or liabilities and results of operations and are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain. If those assumptions, estimates or judgments were incorrectly made, BAC could be required to correct and restate prior-period financial statements. Accounting standard-setters

and those who interpret the accounting standards (such as the Financial Accounting Standards Board ("FASB"), the SEC, banking regulators and BAC's independent registered public accounting firm) may also amend or even reverse their previous interpretations or positions on how various standards should be applied. These changes may be difficult to predict and could impact how BAC prepares and reports its financial statements. In some cases, BAC could be required to apply a new or revised standard retroactively, resulting in BAC needing to revise and republish prior-period financial statements.

The FASB issued in 2012 a proposed standard on accounting for credit losses. The standard would replace multiple existing impairment models, including replacing an "incurred loss" model for loans with an "expected loss" model. The FASB has not yet established a proposed effective date but a final standard is expected to be issued in the second half of 2015. The final standard may materially reduce retained earnings in the period of adoption.

For more information on some of BAC's critical accounting policies and standards and recent accounting changes, see Complex Accounting Estimates in the MD&A on page 109 and Note 1 – Summary of Significant Accounting Principles to the Consolidated Financial Statements, each of the BAC 2014 Annual Report.

3. Risks Relating to the Instruments Generally

Investors risk losing all of their investment in the Instruments

Potential investors should be aware that depending on the terms of the relevant Instruments (i) they may receive no or a limited amount of interest, (ii) payments may occur at a different time than expected and (iii) except in the case of principal protected Instruments, they may lose all or a substantial portion of their investment if the value of the Underlying Asset(s) does not move in the anticipated direction.

Investors in Instruments which are principal protected may still be subject to loss of some or all of their investment if the relevant Issuer and (in the case of Instruments other than Secured W&C Instruments) BAC are subject to bankruptcy or insolvency proceedings or some other event occurs which impairs the ability of each to meet its obligations under the Instruments. An investor may also lose some or all of its investment if it seeks to sell the relevant Instruments prior to their scheduled maturity, and the sale price of the Instruments in the secondary market is less than the initial investment or the relevant Instruments are subject to certain adjustments in accordance with the terms and conditions of such Instruments that may result in the scheduled amount to be paid or asset(s) to be delivered upon redemption being reduced to or being valued at an amount less than an investor's initial investment.

The Instruments may not be a suitable investment for all investors

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

- (a) have sufficient knowledge and experience to evaluate the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all the information contained in the applicable Final Terms;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including Instruments with amounts payable in one or more currencies, or where the Settlement Currency or Specified Currency of the Instruments is different from the potential investor's currency;
- (d) have knowledge of and access to appropriate analytical resources to analyse quantitatively the effect (or value) of any redemption, cap, floor, or other features of the Instruments, and the resulting impact upon the value of the Instruments;

- (e) understand thoroughly the terms of the Instruments and be familiar with any relevant indices and financial markets; and
- (f) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Instruments are complex financial instruments. A potential investor should not invest in Instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how such Instruments will perform under changing conditions, the resulting effects on the value of those Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

In addition, an investment in Index Linked Instruments, Share Linked Instruments, GDR/ADR Linked Instruments or Fund Linked Instruments ("**Underlying Asset Linked Instruments**"), may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "Risks Related to the Structure of a Particular Issue of Instruments" below.

Other than Secured W&C Instruments, the Instruments are unsecured obligations

Save in respect of Secured W&C Instruments (in respect of which, please see "*Risks related to Secured W&C Instruments*" below) the Instruments constitute direct, unsubordinated, unconditional and unsecured obligations of the relevant Issuer and rank equally among themselves and rank equally (subject to exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and unsecured indebtedness or obligations, as applicable, of the relevant Issuer.

The obligations of BAC under the Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, will rank *pari passu* with its other present and future unsecured and unsubordinated obligations.

Since BAC is a holding company, the right of BAC, and hence the right of creditors of BAC (including the Holders), to participate in any distribution of the assets of any subsidiary (including each Issuer) upon its liquidation or reorganisation or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of BAC itself as a creditor of the subsidiary may be recognised. In addition, dividends, loans and advances from certain subsidiaries to BAC are restricted by net capital requirements under the Exchange Act and under the rules of certain exchanges and other regulatory bodies.

The yield on the Instruments may be less than the yield on a conventional debt security of comparable maturity

Any yield that an investor may receive on the Instruments, which could be negative, may be less than the return an investor would earn if the investor purchased a conventional debt security with the same maturity date. As a result, an investment in the Instruments may not reflect the full opportunity cost to an investor when factors that affect the time value of money, such as inflation, are considered.

Movements in the level or price of an Underlying Asset will affect the performance of the Instruments

The level or price of the Underlying Asset may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level or price of the Underlying Asset. This may affect the actual yield to investors, even if the average level or price of the Underlying Asset during the life of the Instruments is consistent with investors' expectations. In general, the earlier the change in the level or price of the Underlying Asset, the greater the effect on the yield of the Instruments.

Leverage will magnify the effect of changes in the Underlying Asset

If the formula used to determine any amount payable and/or non-cash consideration deliverable contains a multiplier or leverage factor, then the percentage change in the value of the Instrument will

be greater than any positive and/or negative performance of the Underlying Asset(s). Any Instruments which include such multiplier or leverage factor represent a very speculative and risky form of investment since any change in the value of the Underlying Asset(s) carries the risk of a correspondingly higher change in the value of the Instruments.

A postponement of valuation or determination due to a Market Disruption Event and Disrupted Day may have an adverse effect on the value of the Instruments

If the Instruments include provisions dealing with the occurrence of a Market Disruption Event or a failure of an exchange or related exchange to open on a Valuation Date, an Averaging Date or a Pricing Date and the Calculation Agent determines that a Market Disruption Event or such failure has occurred or exists on any relevant date, any consequential postponement of the relevant date or any alternative provisions for valuation provided in the Instruments may have an adverse effect on the value of the Instruments or of any amounts payable under the Instruments.

The occurrence of a Payment Disruption Event may lead to a delayed and/or reduced payment

If a Payment Disruption Event is applicable to an Instrument, as specified in the applicable Final Terms, then, in the event that the Calculation Agent determines, in its sole discretion, that an event that (i) prevents, restricts or delays the relevant Issuer from converting or delivering relevant currencies, (ii) imposes capital or exchange controls, (iii) implements changes to laws relating to foreign investments, or (iv) otherwise prohibits or prevents the Issuer from making a payment or performing an obligation required of it as a result of war, catastrophe, governmental action or other event beyond its control (a **"Payment Disruption Event"**) has occurred or is likely to occur, then either (a) the relevant exercise or payment date (as applicable) in respect of the Instruments or (b) the relevant Issuer's obligation to make a payment in respect of such exercise or payment date may be postponed to a date falling five Business Days (or such other date as may be determined by the Calculation Agent and notified to Holders) after the date on which the Payment Disruption Event is no longer occurring. No accrued interest will be payable in respect of any such postponement and no Event of Default in respect of the Instruments will result from such postponement. Partial payments or physical delivery of Shares in lieu of cash settlement of Share Linked Instruments may, in the relevant Issuer's sole discretion, be made during such period (after deduction for any expenses). In the event that a Payment Disruption Event is still continuing on the date which is one year after the last date on which amounts are due under the Instruments (or in the case of Saudi Share Linked Warrants, the earlier of (x) one year after the last date on which amounts are due under the Instruments and (y) four years after the Trade Date) (the **"Payment Event Cut-Off Date"**), then (1) such final payment date shall be extended to the Payment Event Cut-Off Date and (2) the remaining amounts payable under the Instruments shall be deemed to be zero and the relevant Issuer shall have no obligations whatsoever under the Instruments. Therefore, in a case where Payment Disruption Event is specified as applicable in the applicable Final Terms, the Holder could lose all or part of its investment in the Instruments.

In the event that the relevant Issuer satisfies its obligation to make a cash payment by the delivery of Shares following the occurrence of a Payment Disruption Event, Holders may be unable to sell such Shares, or may be unable to sell them at a price equal to the cash payment that would have been payable but for the occurrence of the Payment Disruption Event.

The occurrence of a CNY Payment Disruption Event may lead to a delayed and/or reduced payment or payment in another currency

If a CNY Payment Disruption Event is applicable to an Instrument, as specified in the applicable Final Terms, then, in the event that the Calculation Agent determines, in its sole discretion, that any of the following events has occurred or is likely to occur: (i) an event that makes it impossible or impractical for the relevant Issuer to convert any amounts in CNY due in respect of the Instruments in the general CNY foreign exchange market in the relevant CNY Settlement Centre(s), (ii) an event that makes it impossible or impractical for the relevant Issuer to deliver CNY between accounts inside the relevant CNY Settlement Centre(s) or from an account inside the relevant CNY Settlement Centre(s) to an account outside the relevant CNY Settlement Centre(s), or (iii) the general CNY foreign exchange market in the relevant CNY Settlement Centre becomes illiquid as a result of which the relevant Issuer cannot obtain sufficient CNY in order to satisfy its payment obligations (in whole or in part) under the Instruments (each, a **"CNY Payment Disruption Event"**), then either (a) the relevant exercise or payment date (as applicable) in respect of the Instruments, or (b) the relevant Issuer's obligation to

make a payment in respect of such exercise or payment date, may be postponed to a date falling five Business Days (or such other date as may be determined by the Calculation Agent and notified to Holders) after the date on which the CNY Payment Disruption Event is no longer occurring. No accrued interest will be payable in respect of any such postponement and no Event of Default in respect of the Instruments will result from such postponement. In the event that a CNY Payment Disruption Event is still continuing on the Payment Event Cut-Off Date, then (1) such final payment date shall be extended to the Payment Event Cut-Off Date and (2) the remaining amounts payable under the Instruments shall be deemed to be zero and the relevant Issuer shall have no obligations whatsoever under the Instruments. Therefore, in a case where a CNY Payment Disruption Event is relevant as specified in the applicable Final Terms, the Holder could lose all or part of its investment in the Instruments. If "Payment of Equivalent Amount" is applicable to an Instrument, as specified in the applicable Final Terms, the relevant Issuer may make payment of the equivalent amount of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount, Additional Amount, Cash Settlement Amount or other amount payable under the Instruments in another currency as specified in the applicable Final Terms.

Risks relating to Instruments denominated in CNY

All payments in CNY under the Instruments will be made solely by credit or transfer to a CNY account maintained by the payee with a bank in the CNY Settlement Centre in accordance with the prevailing rules and regulations and in accordance with the Conditions. The relevant Issuer shall not be required to make payment by any other means (including in bank notes or by transfer to a bank account in the People's Republic of China or anywhere else other than the CNY Settlement Centre).

There is only limited availability of CNY outside the People's Republic of China, which may affect the liquidity of the Instruments and the relevant Issuer's ability to source CNY outside the People's Republic of China to fulfil its payment obligations under the Instruments.

CNY is not freely convertible at present. The government of the People's Republic of China continues to regulate conversion between CNY and foreign currencies despite the significant reduction over the years by such government of its control over routine foreign exchange transactions under current accounts. The People's Bank of China ("PBOC") has established a clearing and settlement system pursuant to the Settlement Agreement on the Clearing of CNY Business between PBOC and Bank of China (Hong Kong) Limited. However, the current size of CNY and CNY denominated financial assets in the Hong Kong Special Administrative Region is limited, and its growth is subject to many constraints imposed by the laws and regulations of the People's Republic of China on foreign exchange. There can be no assurance that access to CNY funds for the purposes of making payments under the Instruments or generally may remain or will not become restricted.

The value of CNY against foreign currencies fluctuates and is affected by changes in the People's Republic of China and international political and economic conditions and by many other factors. As a result, foreign exchange fluctuations between a purchaser's home currency and CNY may affect purchasers who intend to convert gains or losses from the sale or redemption of the Instruments into their home currency. The government of the People's Republic of China has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility.

If a Currency Substitution Event with respect to the Instruments occurs, adjustments may be made to the economic terms of the Instruments which may result in a reduced investment return

In the event of a Currency Substitution Event, the relevant Issuer may (a) make adjustments to the economic terms of the relevant Instruments, including, without limitation, to the exercise, settlement, valuation, calculation and payment terms or (b) redeem or settle the Instruments early on such day as shall be notified to the Holders at an early redemption amount or early settlement amount that accounts for the Currency Substitution Event. Any such action may reduce the value of the Instruments and may result in the amounts paid or non-cash consideration delivered under the Instruments being less than what would have been paid or delivered if the adjustments had not been made or the early redemption or settlement had not occurred, and may be less, or significantly less, than the initial investment.

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

The Conditions provide that the relevant Agent and the relevant Issuer may, without the consent of Holders, agree to (i) any modification (subject to certain specific exceptions) of the Instruments or the Agency Agreement which is not prejudicial to the interests of the Holders or (ii) any modification of the Instruments or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.

At meetings of Holders, the decision of the majority will bind all Holders

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

There may be conflicts of interest between the relevant Issuer, BAC and/or their respective Affiliates and the Holders

The relevant Issuer, BAC and/or any of their respective Affiliates or agents may engage in activities that may result in conflicts of interests between their and their respective Affiliates' or agents' financial interests on the one hand and the interests of the Holders on the other hand. The relevant Issuer, BAC and/or any of their respective Affiliates or agents may also engage in trading activities (including hedging activities) related to the Underlying Asset(s) underlying any Instruments and other instruments or derivative products based on or related to the Underlying Asset(s) underlying any Instruments for their proprietary accounts or for other accounts under their management. The relevant Issuer, BAC and/or any of BAC's Affiliates or agents may also issue other derivative instruments in respect of the Underlying Asset(s) underlying Instruments. The relevant Issuer, BAC and/or any of BAC's Affiliates or agents may also act as underwriter in connection with future offerings of Shares or other securities related to an issue of Instruments or may act as financial adviser to certain companies whose Shares or other securities are included in a basket of Shares or other securities or which are reference entities, or in a commercial banking capacity for any such companies. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Instruments. The relevant Issuer also may enter into arrangements with Affiliates or agents to hedge market risks associated with its obligations under the Instruments. Any such Affiliate or agent would expect to make a profit in connection with such arrangements. The relevant Issuer would not seek competitive bids for such arrangements from unaffiliated parties.

Where the Instruments are offered to third parties, as the Dealer(s) and any distributors act pursuant to a mandate granted by the relevant Issuer and they receive fees on the basis of the services performed and the outcome of the placement of the Instruments, potential conflicts of interest could arise.

In addition, unless otherwise specified in the applicable Final Terms, the Calculation Agent is an Affiliate of the relevant Issuer and BAC and in such capacity may make certain determinations and calculate amounts payable or deliverable to Holders. The Calculation Agent may make such determinations using data which is not easily obtainable by a Holder of the Instruments. Under certain circumstances, the Calculation Agent, as an Affiliate of the relevant Issuer and BAC, and its responsibilities as calculation agent for the Instruments could give rise to potential conflicts of interest between the Calculation Agent and the Holders. As BAC controls the Calculation Agent, potential conflicts of interest could arise.

In addition, a proprietary index will generally be developed, owned, calculated and maintained by MLI or a MLI Affiliate, which would be responsible for the composition, calculation and maintenance of such index. In such circumstances, MLI or the MLI Affiliate, as the case may be, as the index sponsor, would be under no obligation to take into account the interests of the Holders of any Instruments referenced by such index. In such capacity as index sponsor, MLI or the MLI Affiliate, as the case may be, will have the authority to make determinations that could materially and adversely affect the value of the Instruments.

The secondary market price of the Instruments may be less than the Issue Price

Investors should note that, in certain circumstances immediately following the issue of the Instruments or at any time prior to maturity, the secondary market price of the Instruments may be less than the Issue Price, reflecting hedging and other costs for the Instruments, any fees to be paid to distributor(s) included in the Issue Price, changes to the relevant Issuer's or BAC's credit spreads and changes in the level of the Underlying Asset. These factors, together with various credit, market and economic factors over the term of the Instruments, are expected to reduce the price at which an investor may be able to sell the Instruments in any secondary market and will affect the value of the Instruments in complex and unpredictable ways. See also "There may be conflicts of interest between the relevant Issuer, BAC and/or their respective Affiliates and Holders" above.

A Holder may not receive the Entitlement relating to a Physical Delivery Instrument if it fails to deliver the required notice and pay Expenses relating to such Physical Delivery Instrument

In order to receive the Entitlement in respect of a Physical Delivery Note, the holder of such Note must (i) duly deliver to the Clearing System and/or Paying Agents, as specified in the Final Terms, a duly completed Asset Transfer Notice on or prior to the relevant time on the Cut-Off Date and (ii) pay the relevant Expenses. As used in the Conditions, "Expenses" includes any applicable depositary charges, transaction or exercise charges, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes arising from the redemption, exercise and settlement (as applicable) of such Instruments and/or the delivery of the Entitlement.

In order to receive the Entitlement in respect of a Physical Delivery W&C Instrument, the holder of such W&C Instrument must (i) deliver or send to the Clearing System and/or Paying Agents, as specified in the Final Terms, (a) a duly completed Exercise Notice on or prior to the relevant time on the Expiration Date (in the case of a Warrant) or (b) a duly completed Collection Notice on or prior to the relevant time on the Cut-Off Date (in the case of a Certificate) and (ii) pay the relevant Expenses.

Failure by a Holder properly to complete and deliver an Asset Transfer Notice, Exercise Notice or Collection Notice, as the case may be, or to procure that its agent does so on its behalf, may result in such notice being treated as null and void. This may result in a delay in delivery of the Entitlement, or the relevant Issuer being unable to deliver the Entitlement. Failure to pay the Expenses will have the same consequences to a Holder.

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

In the case of Physical Delivery Instruments, if a Settlement Disruption Event occurs or exists on the Maturity Delivery Date (in the case of Notes) or Settlement Date (in the case of W&C Instruments), settlement will be postponed until the next date on which no Settlement Disruption Event occurs. The relevant Issuer in these circumstances has the right to pay the Disruption Cash Settlement Price in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Instruments. In addition, if "Failure to Deliver due to Illiquidity" is specified as applicable in the applicable Final Terms, and in the opinion of the Calculation Agent it is impossible or impracticable to deliver some or all of the Relevant Assets comprising the Entitlement when due as a result of illiquidity in the market for the Relevant Assets, the relevant Issuer has the right to pay the Failure to Deliver Settlement Price in lieu of delivering those Relevant Assets. Any Disruption Cash Settlement Price or Failure to Deliver Settlement Price may be significantly less than Holders expected to receive prior to such Settlement Disruption Event or Calculation Agent determination.

Holders have no claim against any Underlying Asset(s), and the return on an Underlying Asset Linked Instrument, if any, may be less than the return on an investment directly in the Underlying Asset(s).

An Instrument will not represent a claim against any Underlying Asset(s) and, in the event of any loss, a Holder will not have recourse under an Instrument to any Underlying Asset(s). If an Underlying Asset is comprised of the same asset as a Collateral Asset in respect of a Series of Secured W&C Instruments, a Holder may have recourse to such Collateral Asset under the relevant Secured W&C Instruments (see the risk factors set out in the section entitled "Risks relating to Secured W&C Instruments"). The investment return on the Instruments, if any, may be less than a comparable

investment directly in the Underlying Asset(s), or the components included in any Underlying Asset(s). In contrast to an investment in the Instruments, a direct investment in the Underlying Asset(s) or the components of the Underlying Asset(s) would allow an investor to receive the full benefit of any appreciation or depreciation, as the case may be, in the value of such Underlying Asset(s) or these components.

The relevant Issuer may have the right to vary settlement

If so indicated in the applicable Final Terms, the relevant Issuer has an option to vary settlement in respect of the Instruments. If exercised by the relevant Issuer, Physical Delivery Instruments may be cash settled or Cash Settled Instruments may be physically settled. Exercise of such option may affect the value of the Instruments.

BAC has the option to vary settlement under the Guarantee

In relation to Physical Delivery Instruments (other than Secured W&C Instruments), under the Guarantee, BAC has the right at all times to elect not to deliver or procure delivery of the Entitlement to the holders of such Physical Delivery Instruments, but in lieu thereof to pay an amount in cash equal to the Guaranteed Cash Settlement Amount specified in the applicable Final Terms. Such cash payment will constitute a complete discharge of BAC's obligations in relation to such Physical Delivery Instruments.

If the relevant Issuer determines that the performance of either its obligations under the Instruments or (in the case of Instruments other than Secured W&C Instruments) the obligations of BAC under the Guarantee has or will become illegal in whole or in part for any reason, the relevant Issuer may redeem or cancel the Instruments, as applicable

If, in the case of illegality and to the extent permitted by applicable law, the relevant Issuer redeems or cancels the Instruments, then the relevant Issuer will, in the case of Notes, redeem each Note at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption, or in the case of W&C Instruments, pay an amount to each Holder determined by reference to the fair market value of each Instrument, in each case, less hedging costs, which may be less than the purchase price of the Instruments and may in certain circumstances be zero.

A United States withholding tax may be imposed on payments made by the relevant Issuer with respect to the Instruments to certain holders

A 30 per cent. United States withholding tax may be imposed on certain payments made by a foreign financial institution that enters into an agreement with the U.S. Department of the Treasury (the "U.S. Treasury") to collect and provide to the U.S. Treasury substantial information regarding United States account holders, including certain account holders that are foreign entities with United States owners, with such institution. An Instrument may constitute an account for these purposes.

Pursuant to U.S. Treasury regulations, the 30 per cent. United States withholding tax may be imposed on (i) U.S. source payments (e.g. dividend equivalent payments) made by the relevant Issuer or any Paying Agent with respect to the Instruments and (ii) non-U.S. source payments made by an Issuer with respect to the Instruments after 31 December 2016 in each case to "recalcitrant holders", which are generally holders that do not comply with the relevant Issuer's request for information to enable it to comply with the tax legislation, and to non-compliant foreign financial institutions. However, the withholding tax will not be imposed on certain "grandfathered obligations". In the event withholding is required under the legislation, neither the relevant Issuer nor any Paying Agent will pay any additional amounts with respect to the amount so withheld.

A United States withholding tax may be imposed on certain payments made to an Issuer in which case the relevant Issuer may be entitled to redeem or cancel the Instruments prior to maturity

A 30 per cent. United States withholding tax may be imposed on certain United States source payments made to a foreign financial institution, unless such institution enters into an agreement with the U.S. Treasury to collect and provide to the U.S. Treasury substantial information regarding United States account holders, including certain account holders that are foreign entities with United States owners, with such institution. An Instrument may constitute an account for these purposes.

If the relevant Issuer determines in good faith that it has, or there is a substantial likelihood that it will, become subject to withholding imposed on a payment made to it on account of the relevant Issuer's inability to comply with the newly enacted legislation's reporting requirements (provided that such inability to comply with the reporting requirements is attributable to non-compliance by any Holder of such Instruments (or a foreign withholding agent (if any) in the chain of custody of payments made to the Holders) with the relevant Issuer's requests for certifications or identifying information), it may redeem or cancel the Instruments held by non-compliant and compliant Holders at their Early Redemption Amount (in the case of Notes) or at their Early Settlement Amount (in the case of W&C Instruments).

United States federal tax may be withheld from payments with respect to Instruments that are treated as "dividend equivalents". This may have an adverse effect on the value and liquidity of the Instruments. In addition, if any payment with respect to Instruments would be treated as a "dividend equivalent", the relevant Issuer would be entitled to redeem or cancel the Instruments at any time prior to maturity, settlement, expiration or exercise

A "dividend equivalent" payment is treated as a dividend from sources within the United States and such payments generally would be subject to a 30 per cent. United States withholding tax if paid to a United States Alien holder. Under proposed U.S. Treasury regulations issued pursuant to Section 871(m) of the Code, payments (including deemed payments) that are contingent upon or determined by reference to actual or estimated U.S. source dividends, with respect to certain equity-linked instruments, whether explicitly stated or implicitly taken into account in computing one or more of the terms of such Instruments, may be treated as "dividend equivalents". While the proposed regulations provide an exception for equity-linked instruments referencing indices that satisfy certain criteria, the scope of this exception is unclear and may not apply to Instruments linked to a U.S. or non-U.S. index. The proposed regulations are extremely complex, and significant aspects of the application of the proposed regulations to the Instruments are uncertain. If adopted in their current form, the regulations would impose a withholding tax on payments made on certain Instruments on or after 1 January 2016 to the extent that they are treated as "dividend equivalents". However, the U.S. Treasury and Internal Revenue Service have announced that they intend to limit this withholding to equity-linked instruments issued on or after the date that is 90 days after the date of publication in the U.S. Federal Register of final regulations addressing dividend equivalent withholding. If any payments are treated as dividend equivalents subject to withholding, the relevant Issuer (or an applicable withholding agent) would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld. As a result, actual payments on the Instruments may be substantially less than the amounts specified in their terms.

In addition, these proposed U.S. Treasury regulations would similarly impose a 30 per cent. United States withholding tax on "dividend equivalent" payments made to a secondary market purchaser of the Instruments depending on the facts as of the date of acquisition. As a result, an initial holder's ability to transfer the Instruments on a secondary market, if any, may be further limited.

If any payment with respect to the Instruments would be treated as a dividend equivalent, the relevant Issuer would be entitled to redeem or cancel the Instruments, in whole, but not in part, at any time prior to maturity, settlement, expiration or exercise at their Early Redemption Amount (in the case of Notes) or Early Settlement Amount (in the case of W&C Instruments), as determined by the Calculation Agent in its discretion. These amounts could be significantly less than the holder's initial investment, and could be as low as zero.

The value of the Instruments could be adversely affected by a change in English law or administrative practice or by a change in New York law

The Conditions of the Instruments are based on English law in effect as at the date of issue of the relevant Instruments. The Guarantee is based on the laws of the State of New York in effect as at the date of the Guarantee. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice or change to the laws of the State of New York, as applicable, after the date of issue of the relevant Instruments and any such change could materially adversely impact the value of, or the amounts paid under, any Instruments affected by it.

Reform of LIBOR, EURIBOR and other 'benchmarks'

The London Inter-Bank Offered Rate ("LIBOR"), the Euro Inter-Bank Offered Rate ("EURIBOR") and other indices which are deemed 'benchmarks' are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or have other consequences which cannot be predicted.

Key international proposals for reform of 'benchmarks' include (i) IOSCO's *Principles for Financial Market Benchmarks* (July 2013), (ii) ESMA-EBA's *Principles for the benchmark-setting process* (June 2013) and (iii) the European Commission's *proposed regulation on indices used as "benchmarks" in certain financial instruments, financial contracts and investment funds* (September 2013) (the "**Proposed Benchmark Regulation**").

The Proposed Benchmark Regulation, if passed in its current form, would apply to 'contributors', 'administrators' and 'users' of 'benchmarks' in the EU, and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of 'benchmarks' and (ii) ban the use of 'benchmarks' of unauthorised administrators. The scope of the Proposed Benchmark Regulation is wide and, in addition to so-called 'critical benchmark' indices such as LIBOR and EURIBOR, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including 'proprietary' indices or strategies) where referenced in listed financial instruments, financial contracts and investment funds.

It is presently unclear whether the Proposed Benchmark Regulation will be passed in its current form (including its broad scope) and, if so, when it would be effective. However, if so enacted, it could have a material impact on any listed Instruments linked to a 'benchmark' index, including in any of the following circumstances:

- an index which is a 'benchmark' could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which does not have equivalent regulation. In such event, depending on the particular 'benchmark' and the applicable terms of the Instruments, the Instruments could be de-listed, adjusted, terminated or otherwise impacted; and
- the methodology or other terms of the 'benchmark' could be changed in order to comply with the terms of the Proposed Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Instruments including Calculation Agent determination of the rate or level in its discretion.

More broadly, any of the international, national or other proposals for reform or general increased regulatory scrutiny of 'benchmarks' could have a material adverse effect on 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 participate in certain 'benchmarks', trigger changes in the rules or methodologies used in certain 'benchmarks' or lead to the disappearance of certain 'benchmarks'. The disappearance of a 'benchmark' or changes in the manner of administration of a 'benchmark' may result in an adjustment to the terms and conditions of the Instruments or other consequences, depending on the specific provisions of the relevant Instruments and the provisions for valuing, or the basis of reference relating to, the relevant Underlying Asset.

In addition to the international proposals for reform of 'benchmarks' described above, there are numerous other proposals, initiatives and investigations which may impact 'benchmarks'. For example, there are ongoing global investigations into the setting of foreign exchange rate 'benchmarks', which may result in further regulation around the setting of foreign exchange rates. Further, on 22 December 2014, the UK Government confirmed that it will be extending the legislation originally put in place to cover LIBOR to cover seven additional major UK-based financial benchmarks in the fixed income, commodity and currency markets ("FICC"). The relevant benchmarks are:

- SONIA (Sterling Overnight Index Average) and RONIA (Repurchase Overnight Index Average), which both serve as reference rates for overnight index swaps;
- WM/Reuters London 4pm Closing Spot Rate, which is the dominant global foreign exchange benchmark;
- ISDAFIX (now ICE Swap Rate), which is the principal global benchmark for swap rates and spreads for interest rate swap transactions;
- London Gold Fixing (now LBMA Gold Price) and the London Silver Fixing (now LBMA Silver Price), which determine the price of gold and silver in the London market; and
- ICE Brent Index, traded on the ICE Futures Europe (IFEU) exchange, which acts as the crude oil futures market's principal financial benchmark.

The UK Financial Conduct Authority has also released its *Financial Benchmarks: Thematic review of oversight and controls*, a review of the activities of firms in relation to a much broader spectrum of "benchmarks", that ultimately could impact inputs, governance and availability of certain "benchmarks".

Any of the above changes or any other consequential changes to LIBOR, EURIBOR or any other 'benchmark' as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of, and return on, any Instruments linked to a 'benchmark'.

Certain specific information may not be known at the beginning of an offer period

In certain circumstances at the commencement of an offer period in respect of a relevant tranche of Instruments but prior to the issue date, certain specific information relating to such Instruments (such as certain amounts, levels, percentages, prices, rates or values (as applicable) used to determine or calculate amounts payable or assets deliverable in respect of Instruments) may not be fixed or determined. In these circumstances the Final Terms will specify in place of the relevant amounts, levels, percentages, prices, rates or values (as applicable), such indicative amounts, levels, percentages, prices, rates or values (as applicable), or an indicative range thereof.

The actual amounts, levels, percentages, prices, rates or values (as applicable) will be determined based on market conditions by the Calculation Agent in its sole and absolute discretion (acting in a commercially reasonable manner) on or around the end of the offer period and may be the same as or different from any indicative amount specified in the applicable Final Terms, provided that such actual amounts will not be less than any indicative minimum amount specified in the applicable Final Terms and will not be more than any indicative maximum amount specified in the applicable Final Terms.

Prospective purchasers of Instruments will be required to make their investment decision based on the indicative amounts or indicative range rather than the actual amounts, levels, percentages, prices, rates or values (as applicable), which will only be fixed or determined at the end of the offer period after their investment decision is made but will apply to the Instruments once issued.

If the applicable Final Terms specify an indicative range of amounts, levels, percentages, prices, rates or values (as applicable), prospective purchasers of Instruments should, for the purposes of evaluating the risks and benefits of an investment in the Instruments, assume that the actual amounts, levels, percentages, prices, rates or values (as applicable) fixed or determined at the end of the offer period may have a negative impact on the amounts payable or assets deliverable in respect of the Instruments and consequently, have an adverse impact on the return on the Instruments (when compared with other amounts, levels, percentages, prices, rates or values (as applicable) within any indicative range, or less than any indicative maximum amount, or greater than any indicative minimum amount). Prospective purchasers should therefore make their decision to invest in the Instruments on that basis.

4. **Risks Relating to Notes**

Notes may be subject to optional redemption by MLBV, which may limit their market value

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

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

Notes issued at a substantial discount or premium may be volatile

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

5. **Risks Relating to W&C Instruments**

Certain factors affecting the value and trading price of W&C Instruments

Either (1) in the case of Cash Settled W&C Instruments, the Cash Settlement Amount or (2) in the case of Physical Delivery W&C Instruments, the value of the Entitlement less (in the case of Warrants) the Exercise Price (the "**Physical Settlement Value**") at any time prior to expiration (in the case of a Warrant) or exercise (in the case of a Certificate) is typically expected to be less than the trading price of such W&C Instruments at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the "time value" of the W&C Instruments. The "time value" of the W&C Instruments will depend partly upon the length of the period remaining to expiration (in the case of a Warrant) or exercise (in the case of a Certificate) and expectations concerning the price or level of the Underlying Asset(s). W&C Instruments offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the W&C Instruments varies with the price or level of the Underlying Asset(s), as well as by a number of other interrelated factors, including those specified herein.

Before exercising W&C Instruments, Holders should carefully consider, among other things, (i) the trading price of the W&C Instruments, (ii) the price or level and volatility of the Underlying Asset(s), (iii) the time remaining to expiration (in the case of a Warrant) or exercise (in the case of a Certificate), (iv) in the case of Cash Settled W&C Instruments, the probable range of Cash Settlement Amounts, (v) any change(s) in interim interest rates and dividend yields if applicable, (vi) any change(s) in currency exchange rates and (vii) any related transaction costs.

An optional exercise or mandatory early exercise feature in W&C Instruments is likely to limit their market value. In the case of an optional exercise feature, during any period when the relevant Issuer may elect to exercise W&C Instruments, the market value of those W&C Instruments generally will not rise substantially above the price at which they can be exercised. This also may be true prior to any exercise period. In the case of a mandatory exercise feature, if the relevant Mandatory Early Exercise Event occurs the W&C Instruments will be exercised prior to their originally designated exercise or expiration date. Potential investors should be aware that in certain circumstances, an optional exercise or mandatory early exercise of the W&C Instruments by the relevant Issuer may result in a loss of all or a substantial portion of their investment.

In the case of Secured W&C Instruments, the market value of the Secured W&C Instruments will be affected by, among other things, the Collateral Assets which secure the relevant Series of W&C Instruments.

There are no events of default in relation to W&C Instruments other than Secured W&C Instruments

Other than in respect of Secured W&C Instruments, the Conditions of the W&C Instruments do not provide for any events of default. If the relevant Issuer defaults on any obligation under the W&C Instruments prior to the Settlement Date, Holders of Instruments other than Secured W&C Instruments will be able to claim against the Guarantor under the Guarantee, but will have no right to declare all of the remaining obligations of the relevant Issuer in respect of the relevant Series of W&C Instruments to be immediately due and payable.

6. Risks Relating to Warrants

There will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount relating to such exercise is determined, and such time lag could decrease the Cash Settlement Amount

In the case of any exercise of Warrants, there will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount (in the case of Cash Settled Warrants) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the Conditions of the W&C Instruments. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Warrants arising from any daily maximum exercise limitation (in the case of American Style Warrants), the occurrence of a Market Disruption Event or failure of an exchange or related exchange to open (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency in the case of Warrants in respect of which the "Exchange Rate Conditions" is applicable or an Exchange Rate is otherwise specified in the applicable Final Terms. The applicable Cash Settlement Amount may change significantly during any such period between exercise and determination of the Cash Settlement Amount, and such movement or movements could decrease the Cash Settlement Amount of the Warrants being exercised and may result in such Cash Settlement Amount being zero.

Holders may have to tender a specified number of Warrants at any one time in order to exercise

If so indicated in the applicable Final Terms, a Holder must tender or hold a specified number of Warrants at any one time in order to exercise. Thus, Holders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the Physical Settlement Value (in the case of Physical Delivery Warrants) of such Warrants. Therefore it may cost an investor more to purchase additional Warrants than the value of the increase in the Cash Settlement Amount or Physical Settlement Value, as the case may be, attributable to such additional Warrants.

The number of American Style Warrants exercisable on any date other than the Expiration Date may be limited to a maximum number

In the case of American Style Warrants, if so indicated in the applicable Final Terms, MLICo. will have the option to limit the number of American Style Warrants exercisable on any date (other than the Expiration Date) to the maximum number specified in the applicable Final Terms and, in conjunction with such limitation, to limit the number of American Style Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of American Style Warrants being exercised on any date (other than the Expiration Date) exceeds such maximum number and MLICo. elects to limit the number of American Style Warrants exercisable on such date, a Holder may not be able to exercise on such date all American Style Warrants that such Holder desires to exercise. In any such case, the number of American Style Warrants to be exercised will be reduced until the total number of American Style Warrants exercised on that date no longer exceeds the maximum, such American Style Warrants being selected at the discretion of MLICo. The American Style Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which American Style Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Transfers of Rule 144A Warrants are restricted

Issue and transfers of Warrants to purchasers that intend to hold their Warrants through a Rule 144A Global Warrant may be made only to or through MLICo. or the Dealer to purchasers in the United States, or to, or for the account or for the benefit of, United States Persons that have executed and delivered to the Dealer, for the benefit of the Dealer, MLICo. and the Guarantor, an Investor Representation Letter pursuant to which such purchaser must certify, among other things, that such purchaser is a QIB who is also a QP. A transfer or attempted transfer of any Rule 144A Warrant which does not comply with the applicable transfer restrictions shall be absolutely null and void *ab initio* and shall vest no rights in the purported transferee.

7. Risks Relating to the Market Generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk that may have an impact on an investment in the Instruments.

Many factors will determine the price of the Instruments in the secondary market and such market may be illiquid

It is not possible to predict the price at which Instruments will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list or admit to trading an issue of Instruments on a stock exchange or market. If the Instruments are not listed or admitted to trading on any stock exchange or market, pricing information for the Instruments may be more difficult to obtain and the liquidity of the Instruments may be adversely affected. If the relevant Issuer does list or admit to trading an issue of Instruments, there can be no assurance that at a later date, the Instruments will not be delisted or that trading on such stock exchange or market will not be suspended. In the event of a de-listing or suspension of listing or trading on a stock exchange or market, the relevant Issuer will use its reasonable efforts to list or admit to trading the Instruments on another stock exchange or market, unless it concludes it would be unduly burdensome to do so. Also, in the case of American Style Warrants to the extent Warrants of a particular issue are exercised, the number of Warrants of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants of such issue. A decrease in the liquidity of an issue of Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants.

The relevant Issuer cannot assure holders of the Instruments that a trading market for their Instruments will ever develop or be maintained. Many factors independent of the creditworthiness of the relevant Issuer or BAC affect the trading market of the Instruments. These factors include:

- (a) the complexity and volatility of the Underlying Asset(s) or formula or other basis of reference applicable to the Instruments;
- (b) the method of calculating amounts payable, including any dividend rates or yield or other securities or financial instruments applicable to the securities payable and/or deliverable, or other consideration, if any, in respect of the Instruments;
- (c) the time remaining to the expiration (in the case of Warrants), exercise (in the case of Certificates) or redemption (in the case of Notes) of the Instruments;
- (d) the aggregate amount or number of Instruments outstanding;
- (e) the redemption or settlement features of the Instruments;
- (f) the value of other securities linked to the Underlying Asset(s) or formula or other basis of reference applicable to the Instruments;
- (g) the level, direction and volatility of market interest rates generally;
- (h) the general economic conditions of the capital markets, as well as geopolitical conditions and other financial, political, regulatory and judicial events that affect the financial markets generally, may affect the value of the Underlying Asset(s) and the Instruments; and

- (i) the possibility that investors may be unable to hedge their exposure to risks relating to their Instruments.

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

The relevant Issuer, BAC, or any of BAC's Affiliates may, but is not obliged to, at any time purchase Instruments at any price in the open market or by tender or private treaty for their own account for business reasons or in connection with their hedging arrangements. Any Instruments so purchased may be held or resold or surrendered for cancellation. The relevant Issuer, BAC, or any of BAC's Affiliates may, but is not obliged to, be a market-maker for an issue of Instruments. Even if the relevant Issuer or such other entity is a market-maker for an issue of Instruments, the secondary market for such Instruments may be limited. These activities may affect the price of such obligations or securities in a manner that would be adverse to a Holder's investment in the Instruments. The relevant Issuer and BAC and its Affiliates have not considered, and are not required to consider, the interest of investors as Holders in connection with entering into any of the above mentioned transactions.

There may be less liquidity in the market for Instruments if the Instruments are exclusively offered to retail investors without any offer to institutional investors. To the extent that an issue of Instruments becomes illiquid, an investor may have to exercise such Instruments (in the case of American Style Warrants) or wait until the Exercise Date (in the case of European Style Warrants or Certificates) or the Maturity Date (in the case of Notes) of such Instruments to realise value.

Investors may be subject to foreign exchange exposure and the Instruments may become subject to exchange controls

In the case of Cash Settled Instruments, the relevant Issuer will pay the Cash Settlement Amount (in the case of W&C Instruments) or Final Redemption Amount (in the case of the Notes) in respect of the Instruments in the Settlement Currency or Specified Currency specified in the applicable Final Terms. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Settlement Currency or Specified Currency, as applicable (the "**Settled Currency**"). These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settled 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 Settled Currency would decrease (i) the Investor's Currency-equivalent yield on the Instruments, (ii) the Investor's Currency equivalent value of the Cash Settlement Amount or Final Redemption Amount (as applicable) in respect of the Instruments and (iii) the Investor's Currency equivalent market value of the Instruments.

Government and monetary authorities may impose exchange controls (as some have done in the past) that could adversely affect an applicable exchange rate. As a result, the Cash Settlement Amount (in the case of Cash Settled W&C Instruments) or the Final Redemption Amount (in the case of Notes) that investors may receive may be less than expected or zero.

In certain circumstances the relevant Issuer will not be obliged to maintain the listing of Instruments which are specified as being listed in the applicable Final Terms

When the relevant Issuer specifies in the applicable Final Terms that a Series of Instruments is to be admitted to trading on the Luxembourg Stock Exchange's regulated market and admitted to listing on the Official List of the Luxembourg Stock Exchange and/or listed on or admitted to trading by any other relevant stock exchange or market within the European Union ("**EU**"), which qualifies as a regulated market within the meaning of Article 4(14) of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (each an "**EU Exchange**"), the relevant Issuer expects, but is not obliged, to maintain such listing of the Instruments on such EU Exchange(s). Changed circumstances, including changes in listing requirements, could result in a suspension or removal of any such listing, or cause the

relevant Issuer to conclude that continued listing of the Instruments on such EU Exchange(s) is unduly burdensome.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Instruments are legal investments for it, (ii) Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

8. Risks Relating to the Structure of a Particular Issue of Instruments

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

General risks relating to Underlying Asset Linked Instruments

Underlying Asset Linked Instruments will represent an investment linked to the economic performance of the relevant Underlying Asset(s) and potential investors should note that the return (if any) on their investment in such Instruments will depend upon the performance of such Underlying Asset(s). Potential investors should also note that whilst the market value of such Instruments is linked to such Underlying Asset(s) and will be influenced (positively or negatively) by such Underlying Asset(s), any change in the market value of such Instruments may not be comparable to changes in the market value of the Underlying Asset(s). It is impossible to predict how the market value of the relevant Underlying Asset(s) will vary over time. In addition, in contrast to a direct investment in the relevant Underlying Asset(s), such Instruments represent the right to receive payment or delivery, as the case may be, of the Cash Settlement Amount(s), the Final Redemption Amount(s) or the Entitlement, as the case may be, as well as periodic payments of interest or additional amounts (if specified in the applicable Final Terms), all or some of which and the value of which will be determined by reference to the performance of the relevant Underlying Asset(s) but which are likely to differ from and may be less than the return on a direct investment in the same Underlying Asset(s).

As the amounts payable and/or non-cash consideration deliverable in respect of Underlying Asset Linked Instruments are linked to the performance of the relevant Underlying Asset(s), a purchaser of such an Instrument must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying Asset(s). Assuming all other factors are held constant, the lower the value of such an Instrument and the shorter the remaining term to expiration (in the case of a Warrant), exercise (in the case of a Certificate) or redemption (in the case of a Note), the greater the risk that purchasers of such Instrument will lose all or part of their investment.

Underlying Asset Linked Instruments may be principal protected or non-principal protected. Investors in Underlying Asset Linked Instruments that are non-principal protected may risk losing their entire investment if the value of the relevant Underlying Asset(s) does not move in the anticipated direction. Whether or not an Instrument is principal protected, all payments on such Instrument are subject to the relevant Issuer's and BAC's credit risk and their respective ability to pay their relevant obligations on the applicable payment dates.

POTENTIAL INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT UNDERLYING ASSET(S) ARE AND TO SEE HOW THE CASH SETTLEMENT AMOUNT, FINAL REDEMPTION AMOUNT OR THE ENTITLEMENT, AS THE CASE MAY BE, AND ANY INTEREST PAYMENTS (IN THE CASE OF NOTES) OR ANY ADDITIONAL AMOUNT PAYMENTS (IN THE CASE OF W&C INSTRUMENTS) ARE DETERMINED AND WHEN SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY INSTRUMENTS.

Risks relating to Instruments which are linked to emerging market Underlying Asset(s)

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

The relevant Issuer may redeem early or settle a Series of Instruments if an Additional Disruption Event occurs, causing the investor to lose some or all of its investment in such Series of Instruments

If Additional Disruption Events are specified as applicable in the Final Terms for the applicable Series of Instruments of the relevant Issuer, and one or more Additional Disruption Event occurs with respect to that Series of Instruments, the relevant Issuer may, in its sole and absolute discretion, cause the early redemption or settlement of such Series of Instruments in accordance with the applicable Conditions. If the relevant Issuer elects to redeem early or settle the Instruments as a result of an Additional Disruption Event, the amount payable or other consideration deliverable to the Holders may be significantly less than the investor's initial investment, and may be as low as zero. Additional Disruption Events include, among others, as specified in the applicable Final Terms and described in the applicable Conditions, (1) Change in Law, (2) Increased Cost of Hedging and (3) Hedging Disruption.

Risks associated with baskets comprised of various components as Underlying Assets***Exposure to performance of basket and its components***

Where the Instruments are linked to or reference a basket of assets, the investors in such Instruments are exposed to the performance of such basket. The investors will bear the risk of the performance of each of the basket components. See, as applicable, the risk factors set out in the sections entitled "Risks relating to Index Linked Instruments", "Risks relating to Share Linked Instruments", "Risks relating to GDR/ADR Linked Instruments", "Risks relating to Instruments in respect of which the "Exchange Rate Conditions" is applicable or an Exchange Rate is otherwise specified in the applicable Final Terms" and "Risks relating to Fund Linked Instruments".

A high correlation of basket components may have a significant effect on amounts payable

Some Instruments are linked to baskets of Underlying Assets where the performance of such Underlying Assets tends to move in the same direction, or correlate, as a result of changes in market conditions, such as a change in interest rates. Correlation of basket components indicates the level of interdependence among the individual basket components with respect to their performance. If, for example, all of the basket components originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation: investors should be aware that, though basket components may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the basket components are subject to high correlation, any move in the performance of the basket components will exaggerate the performance of the Instruments.

The negative performance of a single basket component may outweigh a positive performance of one or more other basket components

Investors in Instruments must be aware that even in the case of a positive performance of one or more basket components, the performance of the basket as a whole may be negative if the performance of the other basket components is negative to a greater extent, subject to the Conditions of the relevant Instruments.

A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of any particular Underlying Asset

The performance of a basket that includes a smaller number of Underlying Assets will generally, subject to the terms and conditions of the relevant Instruments, be more affected by changes in the value of any particular Underlying Asset included therein than a basket that includes a greater number of Underlying Assets.

The performance of a basket that gives greater weight to some Underlying Assets will generally, subject to the terms and conditions of the relevant Instruments, be more affected by changes in the value of any such particular Underlying Asset included therein than a basket that gives relatively equal weight to each Underlying Asset.

A change in composition of a basket may have an adverse effect on basket performance

Where the Instruments grant the Calculation Agent the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket component may perform differently from the original basket component, which may have an adverse effect on the performance of the basket which will in turn have an adverse effect on the value of the Instruments.

Risks relating to Instruments linked to certain Underlying Asset(s)

Risks relating to Index Linked Instruments

Factors affecting the performance of Indices may adversely affect the value of the Instruments

Indices are comprised of a synthetic portfolio of shares, bonds, currency exchange rates, commodities, property or other assets, and as such, the performance of an Index is dependent upon the performance of components of such Index, which may include interest rates, currency developments, political factors, market factors such as the general trends in capital markets or broad based indices and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. If an Index does not perform as expected, this will materially and adversely affect the value of Index Linked Instruments.

Returns on the Instruments do not reflect a direct investment in underlying shares or other assets comprising the Index

The return payable on Instruments that reference Indices may not reflect the return a potential investor would realise if it actually owned the relevant assets comprising the components of the Index or owned a different form of interest in the relevant Index. For example, if the components of the Indices are shares, Holders will not receive any dividends paid or distributions made on those shares and will not participate in the return on those dividends or distributions unless the relevant Index takes such dividends into account for purposes of calculating the relevant level. Similarly, Holders will not have any voting rights in the underlying shares or any other assets which may comprise the components of the relevant Index. Accordingly, Holders of Instruments that reference Indices as Underlying Assets may receive a lower payment upon redemption/settlement of such Instruments than any return such Holder would have received if it had invested in the components of the Index directly or other comparable instruments linked to the Index.

A change in the composition or discontinuance of an Index could adversely affect the market value of the Instruments

The sponsor of any Index can add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The changing of

components of any Index may affect the level of such Index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the relevant Issuer to the Holders of the Index Linked Instruments. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Index Linked Instruments and will have no obligation to any Holder of such Instruments. Accordingly, the sponsor of an Index may take any actions in respect of such Index without regard to the interests of the Holder of the Instruments, and any of these actions could adversely affect the market value of the Index Linked Instruments.

The substitution of an Index with a Successor Index could adversely affect the market value of the Instruments

Upon notification by the relevant Issuer to the Calculation Agent that any payment (or deemed payment as determined for United States tax purposes) may be treated as a dividend or "dividend equivalent" for United States tax purposes (a "**U.S. Withholding Tax Event**"), the relevant Issuer may, at its option, upon notification to the Calculation Agent that it wishes to substitute a Successor Index for the relevant Index (an "**Index Substitution Event**"), effect such Index Substitution Event and, in the case of Notes, not redeem the Notes early pursuant to Note Condition 6 (*Redemption and Purchase*) or, in the case of W&C Instruments, not cancel the W&C Instruments pursuant to W&C Instruments Condition 8 (*Cancellation for Tax Reasons and Tax Compliance Reasons*). With respect to a relevant Index, a "**Successor Index**" includes an index that uses, 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. Such a substitution could adversely affect the market value and the performance of the Index Linked Instruments.

Exposure to Index Modification, Index Cancellation, Index Disruption and correction of Index levels

The Calculation Agent has broad discretion to make certain determinations and adjustments, to replace the original Underlying Asset with another and/or to cause early redemption/settlement of the Instruments, any of which may be adverse to Holders in connection with Index Modification, Index Cancellation, and Index Disruption. The Calculation Agent may determine that the consequence of any such event is to make adjustments to the Instruments, or to replace such Index with another or to cause early redemption/settlement of the Instruments. The Calculation Agent may (subject to the terms and conditions of the relevant Instruments) also amend the relevant Index level due to corrections in the level reported by the Index Sponsor. The consequences of such amendments could adversely affect the market value of the Index Linked Instruments.

Specific risks relating to Index Linked Instruments in respect of which the applicable Final Terms specify that the "LEPW Conditions" shall be applicable

Holders of Index Linked Instruments in respect of which the applicable Final Terms specify that the "LEPW Conditions" shall be applicable should note that all payments made by MLICo. will be made subject to deductions to account for any costs and taxes which a hypothetical broker dealer, directly or indirectly, could incur in connection with any hedging arrangements which such hypothetical broker dealer could make in order to hedge such Index Linked Instruments.

Instruments are not sold or promoted by an Index or the sponsor of such Index

Instruments linked to an Index are not sponsored, endorsed, sold, or promoted by such Index or the sponsor of such Index. The sponsor of an Index makes no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of such Index or the levels at which such Index stands at any particular time on any particular date. Neither an Index nor sponsor of such Index shall be liable (whether in negligence or otherwise) to any person for any error in such Index. A sponsor of an Index is under no obligation to advise any person of any error in such Index. A sponsor of an Index does not make any representation whatsoever, whether express or implied, as to the advisability of investing or assuming any risk in connection with the Instruments linked to such Index.

The relevant Issuer, BAC and BAC's Affiliates are not liable for the actions or omissions of the sponsor of an Index, any information concerning an Index, the performance of such Index or use thereof in connection with the Instruments

None of the Issuer, BAC or any of BAC's Affiliates is liable to the Holders of Instruments for any act or failure to act by a sponsor of an Index in connection with the calculation, adjustment, or maintenance of such Index. Although the Calculation Agent will obtain information concerning an Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the relevant Issuer, BAC, any of BAC's Affiliates or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning such Index. In addition, none of the relevant Issuer, BAC, any of BAC's Affiliates or the Calculation Agent makes any representation whatsoever, whether express or implied, as to the performance of any Index which is linked to the Instruments, any data included in, or omitted from, such Index, or the use of such Index in connection with the Index Linked Instruments.

Risks relating to Share Linked Instruments

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

No Share Company or Companies will have participated in the preparation of the applicable Final Terms or in establishing the terms of the Share Linked Instruments and none of the relevant Issuer, BAC or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such Share Company or Companies contained in such Final Terms or in the documents from which such information was extracted. Neither the relevant Issuer nor BAC controls any Share Company or Companies and are not responsible for any disclosure made by any Share Company or Companies. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the adequacy, accuracy or completeness of the publicly available information described in this paragraph or in any applicable Final Terms) that would affect the trading price of the relevant Share(s) will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such Share Company or Companies could affect the trading price of the Share(s) and therefore the trading price of the Instruments or amounts paid or delivered under the Instruments.

Factors affecting the performance of Shares may adversely affect the value of the Share Linked Instruments

The performance of Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, market liquidity for the Shares, shareholder structure and distribution policy. These factors are not within the relevant Issuer's or BAC's control and may result in a decline in the value of the Instruments.

Holders have no claim against the Share Company or Companies or recourse to the Shares

Share Linked Instruments do not represent a claim against or an investment in any Share Company or Companies and investors will not have any right of recourse under the Share Linked Instruments to any such company or the Shares. Share Linked Instruments are not in any way sponsored, endorsed or promoted by any Share Company or Companies and such companies have no obligation to take into account the consequences of their actions for any Holders. Accordingly, the Share Company or Companies may take any actions in respect of such Share without regard to the interests of the investors in the Share Linked Instruments, and any of these actions could adversely affect the market value of the Share Linked Instruments.

Determinations made by the Calculation Agent in respect of Potential Adjustment Events, Merger Events, Tender Offers, De-listings, Nationalisations, Announcement Events, Insolvencies and Additional Disruption Events may have an adverse effect on the value of the Share Linked Instruments

Upon determining that a Potential Adjustment Event, Merger Event, Tender Offer, De-listing, Nationalisation, Announcement Event, Insolvency or Additional Disruption Event has occurred in relation to an underlying Share or Share Company, the Calculation Agent has broad discretion to make certain determinations to account for such event including to (i) make adjustments to the terms of the Share Linked Instruments and/or (ii) (in the case of a Merger Event, Tender Offer, De-listing, Nationalisation, Announcement Event, Insolvency or an Additional Disruption Event) cause early redemption/settlement of the Share Linked Instruments, any of which determinations may have an adverse effect on the value of the Share Linked Instruments. In particular, in the event that the Share Linked Instruments are early settled/redeemed, the amount payable to Holders may be significantly less than the investor's initial investment, and may be as low as zero.

If Announcement Event is specified to be applicable, the Calculation Agent may exercise the broad discretions described in the paragraph above based on a public announcement by the Share Company or a third party of an intention to take an action or enter into a transaction that would, if taken or consummated prior to final valuation of the Share Linked Instruments, constitute a Merger Event, Tender Offer, De-Listing or Nationalisation, regardless of whether the action or transaction is taken or consummated prior to final valuation of the Share Linked Instruments or at all.

Potential Adjustment Events include (a) a sub-division, consolidation or re-classification of the Shares, (b) an extraordinary dividend, (c) a call of the Shares that are not fully paid, (d) a repurchase by the Share Company, or an affiliate thereof, of the Shares, (e) a separation of rights from the Shares or (f) any event having a dilutive or concentrative effect on the value of the Shares. Additional Disruption Events include (1) a change in applicable law since the Trade Date that makes it illegal to hold, acquire or dispose of the Shares or more expensive for the relevant Issuer to hedge its obligations under the relevant Share Linked Instruments, (2) an insolvency filing by or on behalf of any issuer of the relevant Share(s), (3) Increased Cost of Hedging and (4) Hedging Disruption.

Holders may receive physical delivery of Shares in lieu of payment of cash amounts

Where the Share Linked Instruments include the right of the relevant Issuer, subject to the fulfilment of a particular condition, to redeem the Share Linked Instruments at their maturity by delivering Shares to the investor, the investors will receive such Shares rather than a monetary amount upon maturity. Holders will, therefore, be exposed to the Share Company or Companies and the risks associated with such Shares. The investor should not assume that he or she will be able to sell such Shares for a specific price after the redemption/settlement of the Instruments, and in particular not for the purchase price of the Share Linked Instruments. Under certain circumstances the Shares may only have a very low value or may, in fact, be worthless, in which case see "Investors risk losing all of their investment in the Instruments" above. Holders may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such Shares. The holding of such Shares instead of the Instruments may adversely affect the Holder's tax position.

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

Except as provided in the relevant Conditions in relation to Physical Delivery Instruments, Holders of Share Linked Instruments will not have voting rights or any other rights with respect to the relevant Shares to which such Share Linked Instruments relate.

Holders of Share Linked Instruments will not have rights to receive dividends or distributions. As a result, the return on the Share Linked Instruments may not reflect the return an investor would realise if the investor actually owned those relevant Shares and received the dividends paid or other distributions made in connection with them.

Specific risks relating to Share Linked Instruments in respect of which the applicable Final Terms specify that the "LEPW Conditions" shall be applicable

Share Linked Instruments in respect of which the applicable Final Terms specify that the "LEPW Conditions" shall be applicable are linked to the value of specified Shares during a specified period. If cash dividends are declared and paid on such Shares during such specified period, Holders of such Share Linked Instruments shall receive such amounts, less deductions for local taxes (including withholding taxes). Holders of such Share Linked Instruments should note that they will not acquire any interest in or right to acquire the relevant Shares, and will not in any way have any rights with respect to the relevant Shares (including voting rights). There is no obligation on MLICo. or any of its Affiliates to purchase, sell, hold, deliver, pledge or transfer any such Shares. In addition, the Additional Amount(s) and/or the Cash Settlement Amount (if any) due to Holders of such Share Linked Instruments will generally be payable in a currency other than the currency in which the relevant Shares are denominated; as a result, the returns to Holders will be subject to exchange rate risk as well.

Holders of such Share Linked Instruments should note that following the occurrence of any Potential Adjustment Event, the Calculation Agent may make certain determinations in respect of such Share Linked Instruments, such as the issue of additional Share Linked Instruments to Holders or the issue to Holders of new Share Linked Instruments linked to the relevant Share or the share capital or other securities of another company created as a result of a spin-off or other similar transaction relating to the relevant Share Company or the distribution of a cash amount to Holders or the adjustment of the terms and conditions of such Share Linked Instruments, in each case, to account for the diluting or concentrative effect of such Potential Adjustment Event. Holders of such Share Linked Instruments should note that none of MLICo., the Guarantor or any of their respective affiliates are in a position to advise or give assurance to the Holders as to the impact to the economic, legal or tax position of such Holders as a result of such determinations or actions to the Holders. Holders of such Share Linked Instruments should consult their own business, accounting, regulatory, legal, tax and other professional advisers with respect to any consequences or considerations (whether relating to tax or otherwise) which may be relevant to or which may result from any such determinations or actions.

Holders of such Share Linked Instruments should also note that all payments made by MLICo. (other than Additional Amounts) will be made subject to deductions to account for any costs and taxes which a hypothetical broker dealer, directly or indirectly, could incur in connection with any hedging arrangements which such hypothetical broker dealer could make in order to hedge such Share Linked Instruments.

The Share Linked Instruments may give exposure to a specified China A share traded through the China Connect Service. Holders of such Share Linked Instruments should also note the specific risks relating to China Connect Share LEPU set out in the paragraph below.

Specific Risks relating to Share Linked Instruments in respect of which the applicable Final Terms specify that the "LEPW Conditions" and "China Connect Share LEPU Conditions" shall be applicable

Share Linked Instruments in respect of which the applicable Final Terms specify that the "LEPW Conditions" and "China Connect Share LEPU Conditions" shall be applicable are linked to the value of specified A shares traded through "China Connect". "China Connect" is a securities trading and clearing links programme developed by the Shanghai Stock Exchange ("SSE"), the Stock Exchange of Hong Kong Limited ("SEHK"), the China Securities Depository and Clearing Corporation and the Hong Kong Securities Clearing Company Limited for the establishment of mutual market access between SSE and SEHK. It is a new platform for foreign investors to invest in eligible A shares listed and traded on the SSE. MLICo. or its Affiliates may (but are not obliged to) hedge MLICo.'s obligations under such Share Linked Instruments through China Connect.

China Connect has some unique features and restrictions, including (without limitation) daily and aggregate quota restrictions, eligibility criteria for A shares that can be traded through China Connect, and restrictions on the ability of an investor to take up certain types of rights issuances through China Connect. Trading through China Connect is also subject to the laws, regulations, rules and guidelines published or applied by the exchanges, clearing systems and regulators in Hong Kong and the PRC

which provide services in relation to and/or regulate activities relating to China Connect ("**China Connect Rules**").

China Connect is in its initial stage and is subject to further development. There is no assurance as to whether or how such developments may affect an investment in securities traded through China Connect. Also, the interpretation and application of the China Connect Rules is untested and there is uncertainty as to how they will be applied.

Holders of such Share Linked Instruments should note that these potential restrictions and uncertainties relating to China Connect may trigger a Hedging Disruption, a Potential Adjustment Event or an Additional Disruption Event, or may lead to adjustments to the terms or early termination of such Share Linked Instruments, and any disruption to or early closure of China Connect may trigger a Market Disruption Event, all as provided for in the China Connect Share LEPW Conditions.

Risks relating to GDR/ADR Linked Instruments

Exposure to risk that redemption amounts do not reflect direct investment in the shares underlying the Depositary Receipts

There are important differences between the rights of holders of ADRs or GDRs (ADRs and GDRs, together, "**Depositary Receipts**") and the rights of holders of the stock of the issuer of underlying shares represented by such Depositary Receipts. A Depositary Receipt is a security that represents capital stock of the relevant underlying share issuer. The relevant Deposit Agreement for the Depositary Receipt sets out the rights and responsibilities of the Depositary (being the issuer of the Depositary Receipt), the underlying share issuer and holders of the Depositary Receipt which may be different from the rights of holders of the underlying shares. For example, the underlying share issuer may make distributions in respect of its underlying shares that are not passed on to the holders of its Depositary Receipts. Any such differences between the rights of holders of the Depositary Receipts and holders of the underlying shares of the underlying share issuer may be significant and may materially and adversely affect the value of the relevant GDR/ADR Linked Instruments.

Exposure to the risk of non-recognition of beneficial ownership of the underlying shares represented by Depositary Receipts and therefore generally do not include dividends

The legal owner of the underlying shares represented by Depositary Receipts is the custodian bank which at the same time is the issuing agent of the Depositary Receipts. Depending on the jurisdiction under which the Depositary Receipts have been issued and the jurisdiction to which the custodian agreement is subject, it is possible that the corresponding jurisdiction would not recognise the purchaser of the Depositary Receipts as the actual beneficial owner of the underlying shares. Particularly in the event that the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting free disposition could be issued with respect to the underlying shares represented by Depositary Receipts or that such shares are realised within the framework of an enforcement measure against the custodian. If this is the case, the holder of the Depositary Receipt loses the rights under the underlying shares and the GDR/ADR Linked Instruments would become worthless. See "Investors risk losing all of their investment in the Instruments" above.

Potential exposure to risks of emerging markets

Depositary Receipts often represent shares of underlying share issuers based in emerging market jurisdictions. In such case, there are risks relating to GDR/ADR Linked Instruments linked to Depositary Receipts which represent such underlying shares, see "Risks relating to Instruments which are linked to emerging market Underlying Asset(s)" above.

Distributions on the underlying shares may not be passed on to the Depositary Receipts

The issuer of the underlying shares represented by Depositary Receipts may make distributions in respect of such shares that are not passed on to the purchasers of its Depositary Receipts which may materially and adversely affect the value of the GDR/ADR Linked Instruments.

Adjustment to the terms and conditions or replacement of the Underlying Asset following certain corporate events in relation to the underlying shares represented by Depositary Receipts may materially and adversely affect the value of the Instruments

Following certain corporate events specified in the terms and conditions of the relevant GDR/ADR Linked Instruments relating to the underlying shares represented by Depositary Receipts or the relevant issuer of such underlying shares, such as a merger where the relevant company is not the surviving entity, the amount Holders of GDR/ADR Linked Instruments will receive, if any, at maturity of such Instruments may be adjusted by the Calculation Agent or the affected underlying shares and Depositary Receipts may be replaced by another Underlying Asset. The occurrence of such corporate events and the consequential adjustments may materially and adversely affect the value of the GDR/ADR Linked Instruments.

Exposure to changes in the rate of exchange between the currency of the Depositary Receipt and the underlying share

Where the currency of the Depositary Receipt is different from that of the underlying share, represented by a Depositary Receipt, Holders of Instruments linked to such Depositary Receipt may be exposed not only to the performance of the Depositary Receipt but also to the performance of the relevant foreign currency of the underlying share, which cannot be predicted. See "Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the Instruments" below.

Risks relating to Instruments in respect of which the "Exchange Rate Conditions" is applicable or an Exchange Rate is otherwise specified in the applicable Final Terms

Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the Instruments

If the "Exchange Rate Conditions" is applicable or an Exchange Rate is otherwise specified in the applicable Final Terms, then changes to the foreign exchange rate(s) will affect the nature and value of the investment return on such Instruments. The performance of foreign exchange rates is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to international and domestic political factors, economic factors (including inflation rates in the countries concerned, interest rate differences between the respective countries), economic forecasts, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Measures taken by governments and central banks include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a Specified Currency that would affect exchange rates and the availability of a Specified Currency which would affect the return on such an Instrument or the ability of the relevant Issuer to make delivery in the Specified Currency.

BAC is a major foreign exchange dealer and is subject to conflicts of interest

Investors should note that BAC and its Affiliates (including Merrill Lynch International) are regular participants in the foreign exchange markets and in the ordinary course of their business may effect transactions for their own account or for the account of their customers and hold long and short positions in currencies and related derivatives, including in the currencies of the relevant foreign exchange rate(s). Such transactions may affect the relevant foreign exchange rate(s), the market price, liquidity or value of the Instruments and could be adverse to the interests of Holders. Neither BAC nor any of its Affiliates has any duty to enter into such transactions in a manner which is favourable to Holders.

Currencies of emerging markets jurisdictions pose particular risks

Instruments which expose the investor to emerging market currencies may experience greater volatility and less certainty as to the future levels of such emerging market currencies or their rate of exchange as against other currencies. See "Risks relating to Instruments which are linked to emerging market Underlying Asset(s)" above.

Risks relating to Fund Linked Instruments

No Fund will have participated in the preparation of the applicable Final Terms or in establishing the terms of the Fund Linked Instruments

No Fund will have participated in the preparation of the applicable Final Terms or in establishing the terms of the Fund Linked Instruments and none of the relevant Issuer, BAC or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such Fund contained in such Final Terms or in the documents from which such information was extracted. Neither the relevant Issuer nor BAC controls any Fund and are not responsible for any disclosure made by any Fund. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the adequacy, accuracy or completeness of the publicly available information or in any applicable Final Terms) that would affect the net asset value of a unit (or fund interest) in the relevant Fund(s) or, the share price of the Fund Shares of the relevant Exchange Traded Fund(s) ("ETFs"), will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such Fund could affect the net asset value of a unit (or fund interest) in such Fund or, the share price of the Fund Shares of such ETFs, and therefore the trading price of the Instruments or amounts paid under the Instruments.

A Fund may be subject to Fund Events which may adversely impact the value of Fund Linked Instruments

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

Risk from composition and changes to a Fund

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

In the event that a Fund is materially modified or permanently cancelled or the management company fails to calculate or announce the net asset value of a Fund, the Calculation Agent will either make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions of the Fund Linked Instruments as the Calculation Agent determines appropriate to account for the effect on the Fund Linked Instruments of such events, or may redeem or exercise the Fund Linked Instruments early. Any of these decisions or determinations may adversely impact the value of the Fund Linked Instruments. In the event that the Fund Linked Instruments are early settled/redeemed, that amount payable to an investor may be less than the investor's initial investment, and may be as low as zero.

Funds may be subject to transfer restrictions and illiquidity

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

Events which affect the value of a Fund will affect the value of Fund Linked Instruments

The occurrence of any of the following events could materially and adversely affect the value of shares or units in a Fund, and have a consequent material and adverse effect on the value of Fund Linked Instruments:

- *Valuation:* The valuation of Funds is generally controlled by the management company of the Fund. Valuations are performed in accordance the terms and conditions governing the Fund. Such valuations may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the Fund and accounts. The Fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable net asset values may be difficult to obtain. In consequence, the management company may vary certain quotations for such investments held by the Fund in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustment upward or downward. Uncertainties as to the valuation of Fund assets and/or accounts may have an adverse effect on the net asset value of the Fund where such judgements regarding valuations prove to be incorrect.
- *Trading charges:* The performance of a Fund will be affected by the charges incurred thereby relating to the investments of such Fund. The Fund may engage in short-term trading which may result in increased turnover and associated higher than normal brokerage commissions and other expenses.
- *Legal and regulatory changes:* Future changes to applicable law or regulation may be adverse to a Fund.
- *Investment risk:* All investments risk the loss of capital and/or the diminution of investment returns. A Fund may utilise (*inter alia*) strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realisable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses.
- *Illiquidity:* A Fund may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated.
- *Performance risk:* No assurance can be given relating to the present or future performance of a Fund. The performance of a Fund is dependent on the performance of the management company thereof. Certain management companies may utilise analytical models upon which investment decisions are based. No assurance can be given that these persons will succeed in meeting the investment objectives of the Fund, that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which the Funds have invested or will invest will prove accurate.
- *Effect of exchange rates and exchange controls:* The net asset value of a Fund could be adversely affected not only by hedging costs and changes in exchange rates, but also by local exchange control regulations and other limitations, including currency exchange limitations and political and economic developments in the relevant countries.
- *Market risks:* The markets in which a Fund invests may prove to be highly volatile from time to time as a result of, for example, sudden changes in government policies on taxation and currency repatriation or changes in legislation relating to the value of foreign ownership in companies, and this may affect the net asset value at which a Fund may liquidate positions to meet repurchase requests or other funding requirements.
- *Hedging risks:* A Fund may in certain cases employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available and when available, will not always be effective in limiting losses. A Fund may take substantial unhedged positions.

- *Interest rate risks:* The values of securities held by a Fund (or by any underlying Fund) tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding net asset values of a Fund's positions to move in directions which were not initially anticipated. To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose a Fund to losses.
- *Absence of regulation:* A Fund will generally not be regulated under the laws of any country or jurisdiction. As a result, certain protections of such laws (which, among other things, may require investment companies to have disinterested directors, require securities to be held in custody and segregated, regulate the relationship between the investment company and its adviser and mandate investor approval before fundamental investment policies may be changed) do not apply to a Fund. This absence of regulation may adversely affect the performance of a Fund.
- *Suspension of trading:* A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for a Fund to liquidate positions and thereby expose a Fund to losses.
- *Dependence on key individuals:* The success of a Fund is dependent on the expertise of its managers. The loss of one or more individuals could have a material adverse effect on the ability of a Fund manager to direct a fund's portfolio, resulting in losses for a Fund and a decline in the value of a Fund. Indeed, certain fund managers may have only one principal, without whom the relevant Fund manager could not continue to operate.
- *Experience of Fund managers:* Certain Funds may be managed by investment managers who have managed hedge funds for a relatively short period of time. The previous experience of such investment managers is typically in trading proprietary accounts of financial institutions or managing unhedged accounts of institutional asset managers or other investment firms. As such investment managers do not have direct experience in managing Funds or hedge funds, including experience with financial, legal or regulatory considerations unique to Fund management, and there is generally less information available on which to base an opinion of such managers' investment and management expertise, investments with such investment managers may be subject to greater risk and uncertainty than investments with more experienced Fund managers.
- *Risk of fraud:* There is a risk that a Fund manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct.
- *Performance compensation payable to Fund managers:* The performance-based compensation paid to a Fund manager is typically calculated on a basis that includes unrealised appreciation and may consequently be greater than if such compensation were based solely on realised gains. Each Fund generally calculates its own performance compensation based on its individual performance, irrespective of increases in the overall value of the Fund. Furthermore, when the Fund is rebalanced and an unprofitable underlying asset is removed, the loss carried forward by such Fund's trading is eliminated for purposes of calculating subsequent performance compensation due to the Fund manager of any replacement underlying asset. Thus, there may be substantial incentive compensation due to the relevant Fund manager even during a period when the portfolio of assets is incurring significant losses.
- *Concentration risk:* As many hedge funds have the authority to concentrate their investments in securities of a single issuer or industry, the overall adverse impact on one or more components of the fund, and correspondingly on the value of the Fund, of adverse movements in the value of such securities could be considerably greater than if the Fund were not permitted to concentrate their investments. Moreover, a number of hedge funds included as components in a Fund might accumulate substantial positions in the same or related instruments at the same time. As information regarding the actual investments made by such funds is not generally available, the management company will be unable to identify any such accumulations, which could expose the relevant Fund to the risk of sudden and severe declines.

- *Risks of leverage:* A Fund may borrow without limitation and typically utilise various lines of credit and other forms of leverage. In addition, certain of a Fund's investment strategies (primarily those utilising derivative instruments) may involve indirect forms of leverage. While leverage presents opportunities for increasing a Fund's total return, it increases the potential risk of loss as well. Any event which adversely affects the value of an investment by a Fund is magnified to the extent that such investment is leveraged. Leverage can have a similar effect on issuers in which a Fund invests. The use of leverage by a Fund could result in substantial losses which would be greater than if leverage had not been used. A Fund's assets may be further leveraged or hedged by the use of derivatives. In addition, investments of a fund may include investments in partnerships and other pooled investment vehicles, which themselves employ leverage to a significant extent. Such investments are subject to the same leverage risks as described above and a Fund could lose its entire investment. As a general matter, the banks and dealers that provide financing to a fund can apply essentially discretionary margin, haircut, financing and security and collateral valuation policies. Changes by banks and dealers in these policies may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous net asset values.
- *Non-deductible taxes:* As Funds may be resident in so-called off-shore jurisdictions, which have not entered into any double taxation conventions with other countries, any income of such Fund may be subject to taxation in the countries of origin. As such withholding taxes are non-deductible due to the fact that such Funds are not subject to income taxation in their countries of residence, the Fund's net income may be reduced which may have a negative impact on the performance of such Fund.
- *Investment criteria:* It may be difficult to specify precisely or comprehensively the strategies of a Fund. As a result, it may not sometimes be clear whether or not a Fund fulfils the investment criteria set out in its offering document.
- *Risks of equity investments:* The investment orientation of a Fund may be based to a significant extent on equity investments. Investment in equity securities to aggressively seek capital appreciation is speculative and is generally perceived to encompass greater risks than those involved in connection with an investment in debt securities of comparable issuers.
- *Risks of fixed income investments:* A Fund may invest in fixed income securities and, therefore, may be exposed to the risk of default by the issuers of such securities. Such default may result in delays in payment, or non-payment of interest or principal when due. Furthermore, the net asset value of fixed income securities may also fluctuate with changes in prevailing interest rates and/or in the creditworthiness of the issuer, and these fluctuations may result in a loss of capital by a Fund.
- *Risks of collective investment schemes:* Some Funds may invest in other collective investment schemes. Investment in schemes of this type may afford the investor less transparency in respect of the ultimate assets of the scheme.
- *Large transactions:* Large subscriptions and redemptions may result in the liquidation or dilution of fund assets that may affect the net asset value of such Fund.
- *Emerging markets:* A Fund may invest in securities of governments of, or companies domiciled in, less-developed or emerging markets. See "Risks relating to Instruments which are linked to emerging market Underlying Asset(s)" above. Custody arrangements in such countries may also present enhanced risk.
- *Risks of repos:* A Fund may use repurchase agreements. Under a repurchase agreement, a security is sold to a buyer and at the same time the seller of the security agrees to buy back the security at a later date at a higher net asset value. In the event of a bankruptcy or other default of the transferor of securities in a repurchase agreement, a Fund could experience delays in liquidating the underlying securities and losses, including possible declines in the value of the collateral during the period while it seeks to enforce its rights thereto; possible subnormal levels of income and lack of access to income during this period and the expenses of enforcing its rights. In the case of a default by the transferee of securities in a repurchase agreement, the

management company bears the risk that the transferee may not deliver the securities when required.

- *Risks of currency speculation:* A Fund may engage in exchange rate speculation. Foreign exchange rates have been highly volatile in recent years. The combination of volatility and leverage gives rise to the possibility of large profit but also carries a high risk of loss. In addition, there is counterparty credit risk since foreign exchange trading is done on a principal to principal basis.
- *Risks of commodity futures:* Commodity futures prices can be highly volatile. As a result of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.
- *Risks of derivative instruments:* A Fund may use derivative instruments, such as collateralised debt obligations, stripped mortgage-backed securities, options and swaps. There are uncertainties as to how the derivatives market will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. Substantial risks are also involved in borrowing and lending against such instruments. The prices of these instruments are volatile, market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the positions held by a Fund, thereby causing substantial losses. Most of these instruments are not traded on exchanges but rather through an informal network of banks and dealers. These banks and dealers have no obligation to make markets in these instruments and may apply essentially discretionary margin and credit requirements (and thus, in effect, force a Fund to close out its relevant positions). In addition, such instruments carry the additional risk of failure to perform by the counterparty to the transaction. Government policies, especially those of the U.S. Board of Governors of the Federal Reserve System (the "**Federal Reserve Board**") and non-U.S. central banks, have profound effects on interest and exchange rates which, in turn, affect prices of derivative instruments. Many other unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.
- *Risks of short selling:* A Fund may sell securities short. Short selling exposes a Fund to theoretically unlimited risk due to the lack of an upper limit on the price to which a security may rise. Short selling involves the sale of borrowed stock. If a stock loan is called, the short seller may be forced to repurchase the stock at a loss. In addition, some traders may attempt to profit by forcing short sellers to incur a loss. Traders may make large purchases of a stock that has been sold short. The large purchases are intended to drive up the stock price, and cause the short sellers to incur losses. By doing this, the traders hope the short sellers will limit their losses by repurchasing the stock and force the stock price even higher.
- *Risks of arbitrage:* The use of arbitrage strategies by a Fund in no respect should be taken to imply that such strategies are without risk. Substantial losses may be incurred on "hedge" or "arbitrage" positions, and illiquidity and default on one side of a position may effectively result in the position being transformed into an outright speculation. Every arbitrage strategy involves exposure to some second order risk of the market, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds or the net asset value spread between different classes of stock for the same underlying firm. Further, there are few examples of "pure" arbitrage Funds. Most Funds also employ limited directional strategies which expose them to market risk.
- *Credit risk:* Many of the markets in which a Fund effects its transactions are "over-the-counter" or "inter-dealer" markets. The participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. To the extent that a Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, such Fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterised by clearing organisation guarantees, daily marking-to-market and settlement,

and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which in turn may subject a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The ability of a Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses.

- *Risks relating to controlling stakes:* A Fund may take controlling stakes in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise and other types of related liability.
- *Price volatility:* The market price of Fund Linked Instruments may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of Fund share(s) or unit(s). The price of Fund share(s) or unit(s) may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units in the Fund or Funds may be traded.

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

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

In the case of Fund Linked Instruments linked to ETFs, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time, any such determination may have an effect on the timing of valuation and consequently the value of the Instruments and/or may delay settlement in respect of the Fund Linked Instruments. Potential investors should review the relevant Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Fund Linked Instruments.

In the case of Fund Linked Instruments linked to ETFs following the declaration by the ETF of the occurrence of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical relevant Fund Shares and, if so, will (i) make the corresponding adjustment, if any, to any of the terms of the relevant Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Fund Linked Instruments.

In addition, in the case of Fund Linked Instruments linked to ETFs, if a Merger Event, Tender Offer, De-Listing, Material Underlying Event, Nationalisation or Insolvency occurs in relation to any Fund Share, the relevant Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:

- require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the relevant Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-Listing, Material Underlying Event, Nationalisation or Insolvency and determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Fund Linked Instruments; or

- (ii) redeem or cancel, as applicable, all of the Fund Linked Instruments. In the event of such redemption or cancellation the amount payable to an investor may be less than the investor's initial investment, and may be as low as zero.

Risks relating to Secured W&C Instruments

Holders of Secured W&C Instruments do not have recourse to the Guarantee

The Secured W&C Instruments will be limited recourse obligations of MLICo. secured by a separate Collateral Pool for each Series and will not be obligations or responsibilities of, or guaranteed by, the Guarantor or any other person or entity. Therefore a Holder of Secured W&C Instruments will not be able to claim under the terms of the Guarantee against the Guarantor for any unpaid amounts and any such shortfall will not constitute an unsecured claim by such Holder of Secured W&C Instruments against the Guarantor.

Limitations of the Security Interest under each Deed of Charge

The security granted by the Collateral Provider under each Deed of Charge is a security interest over (i) the Collateral Account in which the Collateral Assets are held (although investors should note the remaining provisions of this section relating to Collateral Assets held through a clearing system) and does not extend to any interest or distributions paid on such Collateral Assets (to the extent such amounts are not held in the relevant Collateral Account) and (ii) the Collateral Provider's rights under the Charged Documents, to the extent those rights relate to the relevant Series of Secured W&C Instruments.

No security interest will be granted by the Collateral Provider over any of its rights under any agreement under which it acquires any Collateral Assets (including, without limitation, any hedging agreements). This means that the Security Agent will not have the ability to compel the Collateral Provider to enforce its rights (or to enforce such rights on behalf of the Collateral Provider) under any agreement against a counterparty to such agreement.

The Collateral Assets will be secured in favour of the Secured Parties pursuant to a fixed charge which is intended to create a security interest in the Collateral Assets in favour of the Secured Parties to secure MLICo.'s obligations in respect of the relevant Series of Secured W&C Instruments. However, where the Collateral Assets are held through a clearing system (either directly or through a sub-custodian), the interests which the Collateral Agent will hold and which are traded in the clearing system are not the physical Collateral Assets themselves but a series of contractual rights against such clearing system. These rights consist of (a) the Collateral Agent's rights as a participant against the clearing system, (b) the rights of the clearing system against the common depository and (c) the rights of the common depository against the Collateral Provider of the Collateral Assets. As a result, where the Collateral Assets are held in a clearing system, the security in respect of a Series of Secured W&C Instruments may take the form of an assignment of the Collateral Provider's rights against the Collateral Agent under the relevant Triparty Account Control Agreement rather than a charge over the Collateral Assets themselves.

A failure to register the security created under a Deed of Charge could mean that it is void against a liquidator, administrator or creditor of the Collateral Provider

In accordance with section 859A of the Companies Act 2006, relevant particulars of the Deed of Charge (together with a certified copy of the relevant instrument) must be delivered to the Registrar of Companies for registration within 21 days beginning with the date after the day on which the relevant security is created, failing which the security will be void against a liquidator, administrator and any creditor of the Collateral Provider, except where the Deed of Charge constitutes a "financial collateral arrangement" under the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "Financial Collateral Regulations"), in which case the registration requirement is disapplied pursuant to the Financial Collateral Regulations. Uncertainty in respect of the meaning of key terms in the Financial

Collateral Regulations including "possession" and "control" means that there is a legal risk that a court would not characterise the security granted under the Deed of Charge as a financial collateral arrangement. If the Deed of Charge were not to be registered in accordance with section 859A of the Companies Act and did not constitute a financial collateral arrangement under the Financial Collateral Regulations, investors would be exposed to the potentially severe consequences of a failure to register.

Holders are exposed to the operational risks related to the collateral arrangements and the structure of the Collateral Accounts

The Collateral Agent may, to the extent permitted in accordance with the terms of the Custodian Agreement and the relevant Triparty Account Control Agreement entered into with the Collateral Provider, hold certain cash and/or securities sub-accounts with other custodial entities ("**sub-custodians**"). Collateral Assets which, pursuant to the terms of the Secured W&C Instruments Conditions, the Custodian Agreement and the relevant Triparty Account Control Agreement, are to be held with the Collateral Agent in a Collateral Account may therefore in practice be held by the Collateral Agent in sub-accounts with sub-custodians. Where the Collateral Assets are held by a sub-custodian on behalf of the Collateral Agent, they will be held pursuant to separate agreements which may vary in relation to any particular sub-custodian and which may not be governed by English law. Security interests in respect of the Collateral Assets also may be created pursuant to separate agreements which may not be governed by English law. A sub-custodian, securities depositary or clearing system may have a lien or rights of set-off with respect to the Collateral Assets held with them in relation to any of their fees and/or expenses. If such fees and/or expenses are not paid, such sub-custodian, securities depositary or clearing system may exercise such lien or rights of set-off and this may adversely affect the amounts that are available for distribution to Holders.

The Collateral Agent shall exercise reasonable care in selecting and continuing to use a sub-custodian in each relevant country in light of customary or established rules, practices and procedures then prevailing in each such country, but shall otherwise have no responsibility with respect to the performance by such sub-custodian (other than a sub-custodian that is an affiliate of the Collateral Agent) of its duties or in the event of its insolvency or dissolution. Accordingly, a Holder of Secured W&C Instruments will be exposed to, amongst other things, the risk of any potential operational disruption or any other adverse impact related to the Collateral Agent and any sub-custodian (including disruption caused by any insolvency proceedings which may be commenced in respect of the Collateral Agent and/or any such sub-custodians).

Neither MLICo. nor any Holder shall be entitled to enforce a Triparty Account Control Agreement or the Custodian Agreement or to proceed directly against the Collateral Agent or the Custodian to enforce the terms of the relevant Triparty Account Control Agreement or the Custodian Agreement, as applicable. Neither the Collateral Agent nor the Custodian has any liability to MLICo. or any Holder as to the consequence of any actions taken by the Collateral Agent or Custodian, as applicable.

There is no guarantee that the Collateral Assets will be sufficient to pay all amounts due to Holders

The security provided for a Series of Secured W&C Instruments is limited to the Collateral Assets constituting the Collateral Pool applicable to such Series. The amount of Collateral Assets constituting such Collateral Pool will depend on, amongst other things, in respect of the Secured W&C Instruments issued (a) under the Additional Terms and Conditions for Secured W&C Instruments set out in Annex 9 to the Base Prospectus ("**Annex 9 Secured W&C Instruments Conditions**"), the MTM Collateral Specified Percentage and the Static Collateral Specified Percentage specified in the applicable Final Terms and (b) under the Additional Terms and Conditions for Secured W&C Instruments set out in Annex 10 to the Base Prospectus ("**Annex 10 Secured W&C Instruments Conditions**"), the Collateralisation Percentage specified in the applicable Final Terms and/or whether or not "Collateral Valuation at Nominal Value" is specified to be applicable in the applicable Final Terms. There is no guarantee that the Collateral Assets will be sufficient to ensure that, following enforcement of a Deed of Charge, the amounts available for distribution or the value of the Collateral Assets available to be delivered by the Security Agent will be sufficient to pay all amounts due to a Holder of Secured W&C

Instruments in respect of the relevant Series of Secured W&C Instruments (see "*Shortfall on Realisation of Collateral Assets and Limited Recourse of Holders of Secured W&C Instruments*"). In addition the claim of a Holder of Secured W&C Instruments may differ from the value of the Collateral Assets due to the application and distribution of proceeds on enforcement in accordance with the Order of Priority specified in the applicable Final Terms or if Collateral Assets are liquidated and realised by the Security Agent or the Disposal Agent on its behalf rather than being physically delivered due to a Physical Delivery of Collateral Assets Disruption Event (see Secured W&C Instruments Conditions 6.7 and 6.10 of the Annex 9 Secured W&C Instruments Conditions and Secured W&C Instruments Conditions 6.6 and 6.9 of the Annex 10 Secured W&C Instruments Conditions).

A lack of diversification of Collateral Assets in a Collateral Pool may impact the value of the Collateral Assets

If the Annex 9 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, the Collateral Assets in the Collateral Pool on which such Series of Secured W&C Instruments are secured in respect of (a) the MTM Collateral Assets, may be limited to one or a few assets or types of assets depending on the relevant Eligibility Criteria, and (b) the Static Collateral Assets, will be limited to one type of asset.

If the Annex 10 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, the Collateral Assets in the Collateral Pool on which the Series of Secured W&C Instruments are secured may be limited to one or a few assets or types of assets depending on the relevant Eligibility Criteria.

Low diversification of Collateral Assets in a Collateral Pool may increase the risk that the value of Collateral Assets deliverable on early settlement (if physical settlement is applicable) and that the proceeds of realisation of the Collateral Assets may be less than the sums due to the relevant Holder of Secured W&C Instruments under the relevant Secured W&C Instruments. If the Collateral Pool is comprised of a limited number of different types of assets, any depreciation in the value of such assets and the realisation or delivery, as the case may be, of the Collateral Assets in the corresponding Collateral Pool will have a proportionally larger impact on any shortfall as the amount recovered in respect of the Collateral Assets on their sale will be dependent on the then current market value of a smaller range of Collateral Assets.

None of MLICo., the Collateral Provider, the Security Agent or the Collateral Agent is under any obligation to ensure that any relevant Eligibility Criteria provide for the diversification of Collateral Assets in a Collateral Pool.

Collateral Assets may be illiquid

Depending on the relevant Eligibility Criteria, certain of the Collateral Assets may not be admitted to trading on any public market and may be illiquid and not easily realisable in certain market circumstances. Where there is limited liquidity in the secondary market relating to Collateral Assets, in the event of enforcement the Security Agent, or the Disposal Agent on its behalf, may not be able to readily sell such Collateral Assets to a third party or may only be able to sell such Collateral Assets at a discounted value.

Potential correlation between the value of the Collateral Assets and the creditworthiness of certain entities

Depending on the Eligibility Criteria applicable to a Series of Secured W&C Instruments, the Collateral Assets relating to such Series could be composed of assets whose value may be positively correlated with the creditworthiness of MLICo. and the Collateral Provider in that adverse economic factors which apply to one may apply to the others, or the default or decline in the creditworthiness of one may itself adversely affect the others.

Where the value of the Collateral Assets is positively correlated with the creditworthiness of MLICo., and the Collateral Provider, for example where the Collateral Assets consist of securities (such as debt or equities) issued by other financial institutions, a default by MLICo. in relation to its obligations under the Secured W&C Instruments may be associated with a fall in the value of Collateral Assets securing such Secured W&C Instruments.

Difference between the calculation of Marked-to-Market Option Value and Secured W&C Instrument Market Value and calculation of a Secured W&C Instrument's value for other purposes

The Marked-to-Market Option Value is the market value of the Option in respect of the Secured W&C Instruments to which the Annex 9 Secured W&C Instruments Conditions apply, as determined by the Secured W&C Instruments Valuation Agent on the basis of such valuation method as the Secured W&C Instruments Valuation Agent may, acting in good faith and in a commercially reasonable manner determine in its discretion. The Option hedges that part of MLICo.'s payment obligations under the Secured W&C Instruments that does not relate to the nominal amount of such Secured W&C Instruments. However, there may be a difference between the sum of the Marked-to-Market Option Value plus the nominal amount of the Secured W&C Instruments and the value of the Secured W&C Instrument as determined for other purposes, including, without limitation, any determination as to its Cash Settlement Amount.

The Secured W&C Instrument Market Value is the market value of the relevant Secured W&C Instrument to which the Annex 10 Secured W&C Instruments Conditions apply, as determined by the Secured W&C Instruments Valuation Agent on the basis of such valuation method as the Secured W&C Instruments Valuation Agent may, acting in good faith and in a commercially reasonable manner determine in its discretion and will take into account MLICo.'s creditworthiness. There may be a difference between the Secured W&C Instrument Market Value and the value of the Secured W&C Instrument as determined for other purposes, including, without limitation, any determination as to its Cash Settlement Amount.

The value of the Collateral Assets in a Collateral Pool may decline prior to any adjustment

If the Annex 9 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, on each Collateral Test Date, the Collateral Agent shall verify whether (a) the Pool Aggregate Nominal Amount is greater than or equal to the Static Collateral Specified Percentage of the Required Static Collateral Nominal Amount for a Collateral Pool (the "**Static Collateral Test**") and (b) the Collateral Value is greater than or equal to the MTM Collateral Specified Percentage of the Required Collateral Value for a Collateral Pool (the "**MTM Collateral Test**").

If the Annex 10 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, on each Collateral Test Date, the Collateral Agent shall verify whether the Collateral Value is greater than or equal to the Required Collateral Value for a Collateral Pool (the "**Collateral Test**").

Where it is not possible to provide such verification or the Static Collateral Test, the MTM Collateral Test or the Collateral Tests, as applicable, are not met, the Collateral Provider may be required to deliver, or procure the delivery of, additional or replacement Collateral Assets to the Collateral Account such that after such adjustment of Collateral Assets, the Static Collateral Test, the MTM Collateral Test or the Collateral Test, as applicable, will be satisfied. Prior to such adjustment, the Holders of Secured W&C Instruments will be exposed to a decline in the Pool Aggregate Nominal Amount or the Collateral Value, as applicable, and there is also a risk that the Collateral Assets may not meet the relevant Eligibility Criteria.

Substitution of Collateral Assets may affect the value of the Collateral Assets in a Collateral Pool

If the Annex 9 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, the Collateral Provider may withdraw and/or replace MTM Collateral Assets from any Collateral Account provided that following such adjustment the applicable MTM Collateral Test continues to be

satisfied. Neither the Issuer nor the Collateral Provider are entitled to withdraw and/or replace Static Collateral Assets, provided that the Collateral Provider may withdraw from the relevant Collateral Account an aggregate nominal amount of Static Collateral Assets equal to the sum of the Notional Amount of each Non-Waived W&C Instrument that is converted into a Waived W&C Instrument if, following such adjustment, the Collateral Test continues to be satisfied.

If the Annex 10 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, the Collateral Provider may withdraw and/or replace Collateral Assets from any Collateral Account provided that following such adjustment the applicable Collateral Test continues to be satisfied.

The Collateral Provider may give instructions for the substitution of MTM Collateral Assets or Collateral Assets, as applicable, any number of times over the term of the Secured W&C Instruments and is not required to obtain the consent of any other party prior to effecting the proposed substitution of MTM Collateral Assets or Collateral Assets, as applicable. Until any further adjustments to the MTM Collateral Assets or Collateral Assets, as applicable, have occurred, the value of the MTM Collateral Assets or Collateral Assets held in a Collateral Account securing a Series of Secured W&C Instruments may be less than it would have been were it not for the substitution of the MTM Collateral Assets or Collateral Assets, as applicable. Also, in spite of the contractual restrictions on the Collateral Provider's ability to withdraw and/or replace MTM Collateral Assets, Static Collateral Assets and Collateral Assets, there are no practical restrictions on the Collateral Provider's ability to withdraw assets from the scope of the security.

MLICo. may cancel and early settle the Secured W&C Instruments upon a Collateral Disruption Event

Secured W&C Instruments will be subject to Collateral Disruption Events, including, but not limited to: (a) the Collateral Provider being unable to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or futures or option contracts it deems necessary to obtain Collateral Assets, or (ii) freely realise, recover, remit, receive, re-patriate or transfer the proceeds of any such transaction(s) or asset(s) or futures or option contract(s) or any relevant hedge positions relating to the Collateral Assets; (b) the Collateral Provider incurring a material increase in certain costs related to (a) and (b); or (c) the Issuer is unable to find a substitute or replacement Collateral Arrangement Party or Security Agent. This may increase the possibility (in comparison with W&C Instruments which are not secured) of the Secured W&C Instruments being cancelled and settled early. Upon the occurrence of a Collateral Disruption Event, MLICo. may, in its sole and absolute discretion, cancel and settle all of the relevant Secured W&C Instruments (a) in respect of Secured W&C Instruments to which the Annex 9 Secured W&C Instruments Conditions apply, at their Early Settlement Amount (CDE) and, where Physical Delivery of Static Collateral Assets is specified to apply in the applicable Final Terms, deliver the Entitlement (CDE); or (b) in respect of Secured W&C Instruments to which the Annex 10 Secured W&C Instruments Conditions apply, at their Early Settlement Amount.

Further, following the cancellation and early settlement of the Secured W&C Instruments, a Holder of Secured W&C Instruments may not be able to reinvest the settlement proceeds at an equivalent rate of return to the Secured W&C Instruments being settled and may only be able to do so at a significantly lower rate or in worse investment conditions. Potential investors should consider reinvestment risk in light of other available investments at the time they contemplate investing in Secured W&C Instruments.

Investors are exposed to the credit risk of the issuer of the Static Collateral Assets

In respect of Secured W&C Instruments to which the Annex 9 Secured W&C Instruments Conditions apply, the value of the Secured W&C Instruments is expected to be affected by the creditworthiness of the issuer of the Static Collateral Assets and actual or anticipated changes in the credit ratings of the issuer of the Static Collateral Assets.

In respect of Secured W&C Instruments to which the Annex 9 Secured W&C Instruments Conditions apply, Collateral Disruption Events also include certain events which are indicative of a default or material decline in the creditworthiness of the issuer of the Static Collateral Assets. In such circumstances, upon any cancellation and early settlement of Secured W&C Instruments by MLICo., it is likely that the market value of the Static Collateral Assets will be low and may be zero, thereby having a material adverse impact on the returns to investors. Therefore such Secured W&C Instruments explicitly bear the credit risk of the issuer of the Static Collateral Assets and any guarantor of such issuer's obligations under the Static Collateral Assets.

The market value of a Secured W&C Instrument may be affected negatively when the probability of, or the market's perception of the probability of, a Collateral Disruption Event occurring in respect of the issuer of the Static Collateral Assets increases, even if a Collateral Disruption Event does not actually occur.

No investigations, searches or other enquiries have been made by or on behalf of the Issuer, the Collateral Provider or the Security Agent in respect of the Static Collateral Assets or the issuer or any guarantor of the Static Collateral Assets. No representations or warranties, express or implied, have been given by the Issuer, the Collateral Provider or the Security Agent or any other person on their behalf in respect of the Static Collateral Assets or the issuer or any guarantor in respect of the Static Collateral Assets. Investors should conduct their own investigation and analysis with respect to the creditworthiness of the issuer and any guarantor of the Static Collateral Assets.

The issuer or any guarantor of the Static Collateral Assets may be a publicly reporting company and financial and other information with respect to the issuer or any guarantor may be available from publicly available sources. Publicly available information in relation to the issuer or any guarantor of the Static Collateral Assets may be incomplete, inaccurate or misleading. The Issuer, the Collateral Provider and the Security Agent give no assurance as to the accuracy or completeness of any information available with respect to the issuer or any guarantor of the Static Collateral Assets or that all events that would affect the creditworthiness of the issuer or any guarantor of the Static Collateral Assets have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of, or failure to disclose, material future events concerning the issuer or any guarantor of the Static Collateral Assets could affect its creditworthiness and therefore the market value of the Secured W&C Instruments, the likelihood of a Collateral Disruption Event occurring and the resulting Early Settlement Amount (CDE) or, if "Physical Delivery of Static Collateral Assets" is specified to be applicable in the applicable Final Terms, the value of the Static Collateral Assets delivered to Holders.

Risks related to an Acceleration Event and enforcement of the security following a Secured W&C Instrument Event of Default

If a Secured W&C Instrument Event of Default has occurred and is continuing with respect to any Series of Secured W&C Instruments, then any Holder may, at its option, send an Acceleration Notice to MLICo. and the relevant Instrument Agent. If Holders of at least 33 per cent. of the aggregate Notional Amount or by number (as applicable) of Non-Waived W&C Instruments (which, unless notified in writing by the Issuer and or its Affiliates to the Collateral Provider, shall not include any Secured W&C Instruments held by the Issuer or its Affiliates) and if any such default is not waived or cured by the Issuer in accordance with the relevant Secured W&C Instruments Conditions, an Acceleration Event shall occur in respect of such Series of Secured W&C Instruments.

The relevant Instrument Agent will as soon as reasonably practicable after the occurrence of an Acceleration Event notify the Security Agent of the occurrence of such Acceleration Event and such notification shall be deemed to be an instruction to the Security Agent to, among other things, enforce the security constituted by the relevant Deed of Charge (an "**Acceleration Instruction**"). If the Security Agent receives an Acceleration Instruction, the Security Agent shall (acting in accordance with such Acceleration Instruction), among other things, deliver a Collateral Enforcement Notice to MLICo., the Collateral Provider and the relevant Instrument Agent upon which all Secured W&C

Instruments in respect of which such Collateral Enforcement Notice is served will become immediately due and repayable at their applicable Early Settlement Amount.

No Holder shall be entitled to enforce the relevant Deed of Charge or to proceed directly against the Collateral Provider to enforce the other provisions of a Charged Document unless the Security Agent, having become bound to so enforce or proceed, fails so to do within a reasonable time and such failure is continuing or the Security Agent is prevented from enforcing the relevant Deed of Charge by any court order. If a Holder becomes so entitled, then such Holder shall not be entitled to enforce the relevant Deed of Charge or Charged Document in the United Kingdom.

Where the Collateral Assets consist of debt securities, shares or other tradable securities, liquidation of all the Collateral Assets simultaneously may increase the risk that the proceeds of realisation of the Collateral Assets may be less than the sums due to the relevant Holder of Secured W&C Instruments under the relevant Secured W&C Instruments because liquidation of all the Collateral Assets in the Collateral Pool at the same time could, in particular market circumstances, lead to a reduction in the market value of some or all of the Collateral Assets.

In addition, following the realisation of the Collateral Assets, an investor may not be able to reinvest any settlement proceeds or, where applicable, any Collateral Assets that it receives at an equivalent rate of return to the Secured W&C Instruments that have become immediately due and payable following the occurrence of an Acceleration Event and may only be able to do so at a significantly lower rate or in worse investment conditions. Potential investors should consider reinvestment risk in light of other available investments at the time they contemplate investing in Secured W&C Instruments.

Limitations on the entitlement of a Holder of Secured W&C Instruments on enforcement and subordination to payment of expenses and other payments

If the Annex 9 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, following the enforcement of the relevant Deed of Charge, the rights of a Holder of Secured W&C Instruments to be paid amounts from the proceeds of such enforcement and the realisation of the related Collateral Assets will be limited to the applicable Early Settlement Amount and, where Physical Delivery of Static Collateral Assets is applicable, the delivery of the Entitlement.

If the Annex 10 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, and, following the enforcement of the relevant Deed of Charge, each Secured W&C Instrument's share of the proceeds of enforcement (following payment of the Secured Parties ranking above the Holders in the Order of Priority) is greater than the Early Settlement Amount, then the rights of a Holder of Secured W&C Instruments to be paid amounts from the proceeds of such enforcement and the realisation of the related Collateral Assets (or, where "Physical Delivery of Static Collateral Assets" is applicable, the market value of Collateral Assets that a Holder is entitled to receive delivery of) will be limited to: (a) where "NV Collateralisation" or "Max (NV, MV) Collateralisation" is specified to be applicable in the applicable Final Terms, the greater of: (i) the product of (A) the Collateralisation Percentage, multiplied by (B) the Notional Amount of the Non-Waived W&C Instruments; and (ii) the Early Settlement Amount; and (b) where "MV Collateralisation" or "Min (NV, MV) Collateralisation" is specified to be applicable in the applicable Final Terms, the applicable Early Settlement Amount.

Following the early settlement of the Secured W&C Instruments, a Holder of Secured W&C Instruments may not be able to reinvest the settlement proceeds at an equivalent rate of return to the Secured W&C Instruments being settled and may only be able to do so at a significantly lower rate or in worse investment conditions. Potential investors should consider reinvestment risk in light of other available investments at the time they contemplate investing in Secured W&C Instruments.

A Holder's entitlement on enforcement and realisation of the related Collateral Assets will be subordinated to and therefore rank behind claims relating to any amounts payable to Secured Parties ranking prior to the Holder of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms and any rights of preference existing by operation of law.

Shortfall on Realisation of Collateral Assets, Limited Recourse of a Holder of Secured W&C Instruments and inadequacy of collateral

The security provided for a Series of Secured W&C Instruments is limited to the Collateral Assets constituting the Collateral Pool applicable to such Series together with the Collateral Provider's right, benefit, interest and title, present and future, in, under and to the Charged Documents (to the extent they relate to such Series). The value realised for the Collateral Assets in the relevant Collateral Pool or, where (a) in the event that the Annex 9 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, "Physical Delivery of Static Collateral" is applicable, and (b) in the event that the Annex 10 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, Physical Delivery of Collateral Assets on Enforcement is applicable, the value of the Collateral Assets delivered, upon enforcement of the relevant Deed of Charge may be less than the amounts due to a Holder of Secured W&C Instruments in respect of the relevant Series of Secured W&C Instruments and as a result, investors may lose all or a substantial portion of their investment. The level of risk will particularly depend on the Eligibility Criteria and, if the Annex 10 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments on the collateralisation method (either MV Collateralisation, NV Collateralisation, Max (MV, NV) Collateralisation or Min (MV, NV) Collateralisation) as specified in the applicable Final Terms).

The Collateral Assets may suffer a fall in value between the time at which the relevant Deed of Charge becomes enforceable and the time at which the Collateral Assets are realised in full or, where (a) in the event that the Annex 9 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, Physical Delivery of Static Collateral Assets on Enforcement is applicable, and (b) in the event that the Annex 10 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments, Physical Delivery of Collateral Assets on Enforcement is applicable, the Collateral Assets are delivered. In extraordinary circumstances, the Collateral Assets forming part of the Collateral Pool available at the time at which a Deed of Charge becomes enforceable could lose all or a substantial proportion of their value by the time of realisation and distribution or delivery, as applicable. Moreover, the security created in respect of the Secured W&C Instruments may be unperfected for a variety of reasons, including the failure to make required filings and, as a result, Holders may not have priority over other creditors as anticipated.

If there is any shortfall in amounts due to a Holder of Secured W&C Instruments in accordance with the Secured W&C Instruments Conditions then such Holder of Secured W&C Instruments shall have no further claim against MLICo., the Collateral Provider or the Security Agent in respect of such amounts which remain unpaid following enforcement of the relevant Deed of Charge (including, for the avoidance of doubt, payments of settlement amounts or additional amounts in respect of the Secured W&C Instruments). In such a scenario, as the Guarantee is not applicable to Secured W&C Instruments, a Holder of the Secured W&C Instruments will have no further claim against any entity in respect of any shortfall in amounts due to it.

If physical delivery of Collateral Assets applies on enforcement and a Physical Delivery of Collateral Assets Disruption Event occurs or exists, there may be a delay in delivery of the Collateral Assets or the Collateral Assets may be sold in lieu of delivery

If the Annex 9 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments and Physical Delivery of Static Collateral Assets is specified to be applicable, upon enforcement of a Deed of Charge, the Security Agent will not sell, or cause to be sold, the Static Collateral Assets (unless there is a Physical Delivery of Collateral Assets Disruption Event or to the extent required in order to pay any amounts payable to Secured Parties ranking prior to the Holders in accordance with the Order of Priority specified in the applicable Final Terms that have not been met by the sale of MTM Collateral Assets) but will procure delivery of the Static Collateral Assets to each Holder of Secured W&C Instruments in the manner set out in the Annex 9 Secured W&C Instruments Conditions.

If the Annex 10 Secured W&C Instruments Conditions apply to a Series of Secured W&C Instruments and Physical Delivery of Collateral Assets is specified in respect of a Series of Secured W&C Instruments, upon enforcement of a Deed of Charge, the Security Agent will not sell, or cause to be sold, the Collateral Assets (unless there is a Physical Delivery of Collateral Assets Disruption Event or to the extent required in order to pay any amounts payable to Secured Parties ranking prior to the Holders of Secured W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms) but will procure delivery of the Collateral Assets to each Holder of Secured W&C Instruments in the manner set out in the Annex 10 Secured W&C Instruments Conditions.

If, in the opinion of the Disposal Agent, delivery of all or some of the Static Collateral Assets or Collateral Assets, as applicable, forming part of the Entitlement is not practicable by reason of a Physical Delivery of Collateral Assets Disruption Event having occurred or continuing on any Collateral Delivery Date, then settlement will be postponed until the next Collateral Business Day on which there is no Physical Delivery of Collateral Assets Disruption Event. If delivery of any of the Static Collateral Assets or Collateral Assets, as applicable, forming part of the Entitlement is not possible due to the occurrence of a Physical Delivery of Collateral Assets Disruption Event for a period of greater than 20 Collateral Business Days, the Disposal Agent will sell or realise the undeliverable Static Collateral Assets or Collateral Assets, as applicable, in lieu of physical settlement. The amount received by a Holder of Secured W&C Instruments following such sale of Static Collateral Assets or Collateral Assets, as applicable may be lower than the amount which a Holder of Secured W&C Instruments would have received if the relevant Static Collateral Assets or Collateral Assets, as applicable, had been delivered to it and the Holder of Secured W&C Instruments held the relevant Static Collateral Assets or Collateral Assets, as applicable, to the maturity date of such assets or sold such assets at a different point in time.

Risk of a delay in the realisation of the Collateral Assets in the event of the insolvency of the Security Agent or any Collateral Arrangement Party

The insolvency of MLICo. will constitute a Secured W&C Instrument Event of Default, which may trigger early settlement of any Secured W&C Instruments issued by MLICo. In these circumstances, or in the event of the insolvency of the Security Agent or any Collateral Arrangement Party, the realisation of the Collateral Assets may be delayed either by the appointment of an insolvency administrator or other insolvency official in relation to the relevant party or by measures ordered by a competent court.

In addition, in the case of an insolvency of a member of the Group, it is possible that MLICo., the Collateral Provider and the Secured W&C Instruments Agent that are members of the Group may also each be insolvent. Such circumstances may lead to a delay in the administrative processes involved in the realisation of the Collateral Assets. However, as the entities responsible for the enforcement of the Deed of Charge and the realisation of the Collateral Assets, namely the Custodian, the Collateral Agent, the Security Agent and the Disposal Agent are not part of the Group, the impact of any insolvency of a member of the Group on such enforcement and realisation should be less material than it would have been if the Custodian, the Collateral Agent, the Security Agent and/or the Disposal Agent were part of the Group.

The initial Custodian, the initial Collateral Agent, and the initial Security Agent are affiliates of one another and it is possible that the Disposal Agent will also be an affiliate, and in the event of the insolvency of one such entity it is possible that another of those entities may also be insolvent. Such circumstances may lead to a delay in the realisation of the Collateral Assets. The Custodian Agreement, Triparty Account Control Agreement, and the Security Agency Agreement will contain provisions permitting the replacement of the Custodian, Collateral Agent, and Security Agent, as applicable, in certain circumstances, including following insolvency, as further provided in such agreements and the Secured W&C Instrument.

If there is a delay in the realisation of the Collateral Assets due to the insolvency of any of these entities, such Collateral Assets could depreciate in value resulting in a shortfall in the amounts returned to Holders of Secured W&C Instruments.

Potential Conflicts of Interest between Holders of Secured W&C Instruments, the Collateral Provider and the Secured W&C Instruments Valuation Agent

As the Collateral Provider and the Secured W&C Instruments Valuation Agent are the same legal entity and are affiliates of MLICo., potential conflicts of interest may arise between the Collateral Provider, the Secured W&C Instruments Valuation Agent and the Holders of Secured W&C Instruments, including with respect to the making of certain determinations and the exercise of certain discretions (including as to the calculation of the Marked-to-Market Option Value, the MTM Collateral Specified Percentage of the Required MTM Collateral Value and the Static Collateral Specified Percentage of the Required Static Collateral Nominal Amount in respect of Secured W&C Instruments to which the Annex 9 Secured W&C Instruments Conditions apply and the Secured W&C Instrument Market Value and the Required Collateral Value in respect of Secured W&C Instruments to which the Annex 10 Secured W&C Instruments Conditions apply). In addition, whilst the Collateral Provider and the Secured W&C Instruments Valuation Agent are obliged to carry out their duties and functions in good faith and in a commercially reasonable manner, neither the Collateral Provider nor the Secured W&C Instruments Valuation Agent acts or will act as a fiduciary or as an advisor to the Holder of Secured W&C Instruments in respect of their duties as Collateral Provider and Secured W&C Instruments Valuation Agent, respectively.

A failure by the Security Agent or the Disposal Agent to perform its obligations following an Acceleration Event may adversely affect the amount the Holders of the Secured W&C Instruments may recover

Following a Secured W&C Instruments Event of Default and subsequent Acceleration Event, the Security Agent will (acting in accordance with an Acceleration Instruction) enforce the security under the relevant Deed of Charge upon the delivery of a Collateral Enforcement Notice and will give instructions to the Disposal Agent to: (a) liquidate and realise the Collateral Assets in the Collateral Pool which secures a Series of Secured W&C Instruments and subsequently distribute the relevant Collateral Enforcement Proceeds Share to the relevant Holders of Secured W&C Instruments or (b) where, in respect of Secured W&C Instruments to which the Annex 9 Secured W&C Instruments Conditions apply, Physical Delivery of Static Collateral Assets is specified as applicable in the applicable Final Terms or where, in respect of Secured W&C Instruments to which the Annex 10 Secured W&C Instruments Conditions apply, Physical Delivery of Collateral Assets is specified as applicable in the applicable Final Terms, arrange for delivery of the relevant Entitlement to the relevant Holder of Secured W&C Instruments, in each case in accordance with the Order of Priority.

A failure by the Security Agent or the Disposal Agent to perform its obligations with respect to the Collateral Assets or to perform its obligations in a timely or efficient manner may adversely affect the realisation of the Collateral Assets and the amount distributable or deliverable to Holders of Secured W&C Instruments. Accordingly, in the event of a Secured W&C Instruments Event of Default and subsequent Acceleration Event, the amount that Holders of the Secured W&C Instruments recover may be adversely affected.

The Security Agent may be entitled not to act following an Acceleration Event if it believes that it will be unable to recover certain amounts or is not indemnified and/or secured or pre-funded by the Holders

Following a Secured W&C Instruments Event of Default and subsequent Acceleration Event (as notified to the Security Agent upon receipt of an Acceleration Instruction), the Security Agent shall be under no obligation to take any action to liquidate or realise any Collateral Assets, if (a) in the event that it is directed by the requisite percentage of Holders of the Secured W&C Instruments to effect such liquidation or realisation in accordance with the exact provisions of an Acceleration Instruction (the

form of which is scheduled to the Agency Agreement) it reasonably believes that it would not be able to recover Security Agent Amounts (being amounts incurred by it in respect of exceptional duties) or would experience an unreasonable delay in doing so; or (b) in the event that it is directed by a Secured Party to effect such liquidation or realisation other than in accordance with the exact provisions of an Acceleration Instruction (the form of which is scheduled to the Agency Agreement) it has not been indemnified and/or secured and/or prefunded to its satisfaction by the Holders of the Secured W&C Instruments.

In such event, the Security Agent may decide not to take any action and such inaction will not constitute a breach by it of its obligations under the Security Agency Agreement, the Deed of Charge or the Secured W&C Instruments Conditions. Consequently, if applicable, the Holders of the Secured W&C Instruments would have to either arrange for such indemnity and/or security and/or pre-funding, accept the consequences of such inaction by the Security Agent or appoint a replacement Security Agent. Holders of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of Non-Waived W&C Instruments outstanding may remove the Security Agent and appoint a replacement Security Agent. Holders of the Secured W&C Instruments should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any such inaction by the Security Agent and/or the replacement of the Security Agent. Such inaction by the Security Agent will not entitle Holders of the Secured W&C Instruments to take action in the United Kingdom directly against the Collateral Provider to pursue remedies for any breach by the Collateral Provider of the Deed of Charge, the Secured W&C Instruments Conditions or Charged Documents. Any consequential delay in the liquidation or realisation of the Collateral Assets may adversely affect the amount distributable or deliverable to Holders of Secured W&C Instruments.

No Fiduciary duties

In performing their duties under the Programme, none of the Collateral Provider, the Custodian, the Collateral Agent, the Secured W&C Instruments Valuation Agent or the Disposal Agent will act as a fiduciary or as an advisor to the Holders of W&C Instruments in respect of their respective duties and do not act as a trustee for the Holders of W&C Instruments. In performing its role under the Programme, the Security Agent does not act as an advisor to or fiduciary or trustee for the Holders of the Secured W&C Instruments (either as a Series or individually) or any other party and nothing in any of the documents relating to the Programme shall be interpreted to constitute the Security Agent as a trustee or fiduciary of the Issuer, the Collateral Provider, the Holders of the Secured W&C Instruments or any other party.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published and have been filed with the CSSF, shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) BAC's Annual Report on Form 10-K for the year ended 31 December 2014 (the "**BAC 2014 Annual Report**");
- (b) BAC's unaudited Quarterly Reports on Form 10-Q for the quarterly periods ended 31 March 2015 (the "**BAC 31 March 2015 Form 10-Q**") and 30 June 2015 (the "**BAC 30 June 2015 Form 10-Q**");
- (c) BAC's Current Reports on Form 8-K filed on 15 January 2015 (the "**BAC 15 January 2015 Form 8-K**"), 27 January 2015 (the "**BAC 27 January 2015 Form 8-K**"), 26 February 2015 (the "**BAC 26 February 2015 Form 8-K**"), 11 March 2015 (the "**BAC 11 March 2015 Form 8-K**"), 17 March 2015 (the "**BAC 17 March 2015 Form 8-K**"), 20 March 2015 (the "**BAC 20 March 2015 Form 8-K**"), 15 April 2015 (the "**BAC 15 April 2015 Form 8-K**"), 29 April 2015 (the "**BAC 29 April 2015 Form 8-K**"), 7 May 2015 (the "**BAC 7 May 2015 Form 8-K**"), 15 July 2015 (the "**BAC 15 July 2015 Form 8-K**"), 23 July 2015 (the "**BAC 23 July 2015 Form 8-K**") and 28 July 2015 (the "**BAC 28 July 2015 Form 8-K**" and, together with the BAC 15 January 2015 Form 8-K, the BAC 27 January 2015 Form 8-K, the BAC 26 February 2015 Form 8-K, the BAC 11 March 2015 Form 8-K, the BAC 17 March 2015 Form 8-K, the BAC 20 March 2015 Form 8-K, the BAC 15 April 2015 Form 8-K, the BAC 29 April 2015 Form 8-K, the BAC 7 May 2015 Form 8-K, the BAC 15 July 2015 Form 8-K and the BAC 23 July 2015 Form 8-K, the "**BAC Form 8-Ks**") (other than, with respect to these reports, information that is furnished but deemed not to have been filed under the rules of the SEC);
- (d) BAC's Form 8-A filed on 26 January 2015 (the "**BAC 26 January 2015 Form 8-A**");
- (e) The 2015 Proxy Statement of BAC pursuant to Section 14(a) of the U.S. Securities Exchange Act of 1934, as amended, dated 26 March 2015 (the "**BAC 2015 Proxy**");
- (f) MLB's audited financial statements as at and for the year ended 31 December 2013 together with the auditor's report dated 30 April 2014 thereon (the "**MLB 2013 Accounts**") and as at and for the year ended 31 December 2014 together with the auditor's report dated 28 April 2015 thereon (the "**MLB 2014 Accounts**"); and
- (g) MLICo.'s audited financial statements as at and for the year ended 31 December 2013 together with the auditor's report dated 25 April 2014 thereon (the "**MLICo. 2013 Accounts**") and as at and for the year ended 31 December 2014 together with the auditor's report dated 24 April 2015 thereon (the "**MLICo. 2014 Accounts**").
- (h) the following previous base prospectuses relating to the Programme: (i) Base Prospectus of MLB and MLICo. dated 11 March 2013 (the "**March 2013 Base Prospectus**") and (ii) Base Prospectus of MLB and MLICo. dated 11 March 2014 (the "**March 2014 Base Prospectus**").

The historical financial information of BAC on a consolidated basis for the two years ended December 31, 2014, has been incorporated by reference herein and is contained in the 2014 Form 10-K Annual Report and in the April 29, 2015 Form 8-K. As disclosed in the April 29, 2015 Form 8-K, effective January 1, 2015, BAC changed its basis of presentation to report the results of its operations through the following five business segments: *Consumer Banking*, *Global Wealth & Investment Management*, *Global Banking*, *Global Markets* and *Legacy Assets & Servicing*, with the remaining operations recorded in All Other. All updates contained in the BAC April 29, 2015 Form 8-K relate solely to the presentation of segment specific disclosures on a basis consistent with how BAC currently evaluates the results of the segments.

Secured W&C Instruments issued by MLICo. will not benefit from the Guarantee and, on that basis, the BAC 2014 Annual Report, the BAC 31 March 2015 Form 10-Q, the BAC 30 June 2015 Form 10-Q, the BAC Form 8-Ks, the BAC 26 January 2015 Form 8-A and the BAC 2015 Proxy are not relevant in respect of any such issue.

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¹ Instruments issued under the Programme prior to the date hereof were referred to in the respective Base Prospectus as "Securities", W&C Instruments were referred to as "W&C Securities" and each individual product was referred to as a "Security"/"W&C Security" (Index Linked Securities/W&C Securities, Share Linked Securities/W&C Securities etc.).

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Form of Guarantee

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* These page numbers are references to the PDF pages included in the relevant report.

** Save as provided in paragraph 13 (*Fungible Issuances*) under "General Information".

For the purposes of Article 28.4 of the Prospectus Regulation, any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

Following publication of this Base Prospectus a supplement may be prepared by the Issuers and BAC and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Investors in the Instruments shall be deemed to have notice of all information contained in the documents incorporated by reference into this Base Prospectus, as if all such information were included in this Base Prospectus. Investors who have not previously reviewed such information should do so in connection with their purchase of Instruments.

BAC will provide, without charge, to each person other than holders of Secured W&C Instruments to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents listed in paragraphs (a) to (e) above. Written requests for such documents should be directed to: Bank of America Corporation, Bank of America Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255-0065, Attention: Fixed Income Investor Relations, or fixedincomeir@bankofamerica.com. Telephone requests may be directed to either +1-866-607-1234 (toll free) or +1-212-449-6795. BAC's filings with the SEC are available through (1) the SEC's website at www.sec.gov, or the SEC's Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and (2) BAC's website at www.bankofamerica.com. In addition, all documents incorporated herein by reference will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) or at the specified offices of the Principal Paying Agent and the Principal Instrument Agent in London. References to web addresses in this Base Prospectus are included as inactive textual references only. Except as specifically incorporated by reference into this Base Prospectus, information on these websites is not part of this Base Prospectus.

The Issuers and, if applicable, BAC will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Instruments, prepare a supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Instruments.

COMMONLY ASKED QUESTIONS ABOUT THE PROGRAMME

This description is intended to give you an overview of the Issuers and the Guarantor and the types of Instruments that may be issued under the Programme. Any decision to invest in any Instruments should only be made after you have carefully read and understood all of the information set out or incorporated by reference in this Base Prospectus and the applicable Final Terms or the Registration Document and applicable Securities Note and Summary (if any). Words defined in the "Terms and Conditions of the Notes" or in the "Terms and Conditions of the W&C Instruments" or elsewhere in this Base Prospectus shall have the same meanings when used in this section.

Organisation of the Commonly Asked Questions about the Programme

1. **What are Merrill Lynch B.V. and Merrill Lynch International & Co. C.V.?**
2. **What do the Issuers do?**
3. **What types of product will be issued under the Programme?**
4. **How much of my investment is at risk?**
5. **What should I read before investing?**
6. **What is Bank of America Corporation?**
7. **What will the Issuers do with my money?**
8. **What are the risks of investing in any Instruments?**
9. **What fees and expenses are payable in connection with my Instruments?**
10. **What tax will I have to pay?**
11. **Will my Instruments be listed on a stock exchange?**
12. **What are the terms on which Instruments will be offered?**
13. **How can I hold my Instruments?**
14. **Will I be able to sell my Instruments?**
15. **What do I have to do to exercise my rights in respect of the Instruments?**
16. **Is there a limit on the amount of Instruments the relevant Issuer will issue for each series?**
17. **How are payments made?**
18. **How is the value of an investment in Instruments which are Underlying Asset Linked Instruments affected by the value of the Underlying Asset(s)?**

What are Merrill Lynch B.V. and Merrill Lynch International & Co. C.V.?

Merrill Lynch B.V. ("MLBV") is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. MLBV was incorporated on 12 November 2012, and on 31 December 2012, effective as of 1 January 2013, MLBV merged with Merrill Lynch S.A. ("MLSA") by means of a cross border merger, whereby MLSA was the disappearing entity, and MLBV was the acquiring entity. MLBV is registered with the Trade Register of the Dutch Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) in Amsterdam, The Netherlands, under number 56457103.

Merrill Lynch International & Co. C.V. ("MLICo.") is a Curaçao limited partnership of unlimited duration which commenced operation on 1 August 1975 under registered number 11705 in the Commercial Register of the Chamber of Commerce and Industry in Curaçao.

What do the Issuers do?

Each Issuer is a finance vehicle whose principal purpose is to raise debt or enter into financial contracts to assist the financing activities of the relevant Issuer's affiliates. The Issuers do not have any trading assets and do not generate any significant net income.

What types of product will be issued under the Programme?

MLBV may issue Notes and Certificates, and MLICo. may issue Certificates and Warrants (together with the Notes, the "Instruments"). The payment and non-cash delivery obligations of the Issuers under the Instruments (other than Secured W&C Instruments) are unconditionally and irrevocably guaranteed by Bank of America Corporation ("BAC") upon and subject to the terms set forth in the

Guarantee. The Issuers may issue conventional debt securities including fixed or floating rate notes (in the case of MLBV) as well as Instruments with returns linked to one or more underlying assets or bases of reference ("**Underlying Asset Linked Instruments**"). The returns on Instruments may be received by investors as interest (in the case of Notes) or additional amounts (in the case of W&C Instruments) and/or on redemption (in the case of Notes) or exercise (in the case of W&C Instruments).

The return on Underlying Asset Linked Instruments may be linked to the performance of one or a combination of the following reference bases: a specified index or a basket of indices, a specified share or a basket of shares, a specified global depositary receipt ("**GDR**") or American depositary receipt ("**ADR**") or a basket of GDRs and/or ADRs, a specified fund (including exchange traded fund) or a basket of funds (including exchange traded funds) or a basket comprising any combination of the foregoing. The composition of the relevant reference basis or bases may be designed to change over time in accordance with the relevant terms and conditions.

The relevant terms and conditions of a particular issue of Instruments will specify the applicable returns, when such returns are payable or deliverable (see below) and the terms on which they are payable (including whether capital is at risk) or deliverable (see below). Any return will normally be paid by the relevant Issuer at maturity (in the case of Notes) or settlement (in the case of Warrants and Certificates) as part of the applicable Final Redemption Amount (in the case of Notes) or the Cash Settlement Amount (in the case of Warrants and Certificates). Any interest or additional amounts, as the case may be, will normally be paid by the relevant Issuer on specified dates. In certain circumstances, the return on redemption or settlement of Instruments may be satisfied by the physical delivery of certain specified assets (the "**Entitlement**") after payment by the investor of certain cash sums to the Issuer such as Expenses or, in the case of Warrants, the relevant Exercise Price.

The relevant terms and conditions of a particular issue of Instruments will be the terms and conditions for the Instruments set out in this Base Prospectus as completed in the applicable Final Terms or as completed, amended and supplemented in the applicable Securities Note.

W&C Instruments may also be Secured W&C Instruments, which will be issued only by MLICo. Each Series of Secured W&C Instruments will be secured by MLI in favour of the relevant Holder of the W&C Instruments in respect of a segregated pool of Collateral Assets. The value of the Collateral Assets relative to the value of the relevant Secured W&C Instruments will be monitored and, if required under the applicable Terms and Conditions, the Collateral Assets in the pool will be adjusted accordingly. The Secured W&C Instruments will not have the benefit of the Guarantee.

How much of my investment is at risk?

Some of the Instruments will specify a minimum Final Redemption Amount on the Maturity Date (in the case of Notes) or a minimum Cash Settlement Amount on the Settlement Date (in the case of W&C Instruments). Other Instruments will put the investor's investment at risk in whole or in part so that an investor may receive an amount or assets with a value less than their original investment or lose their entire investment. The product terms and conditions will make it clear whether, and in what circumstances, an investor's investment is at risk. If the terms and conditions of a particular product provide that an investor's entire investment could be lost, an investor should only invest in the Instruments if they are willing to accept that risk. Investors should note, however, that even if an Instrument guarantees a minimum Final Redemption Amount or Cash Settlement Amount, investors will still bear the risk of losing their entire investment in the event of the insolvency of the relevant Issuer and the Guarantor.

Each potential investor should also note that any return received on the Instruments could be lower than the interest that the investor could have earned by investing in a simple fixed rate product (like a bank or building society account) paying the prevailing market rate.

Therefore some Instruments may not be suitable for a potential investor who would prefer a lower risk investment.

What should I read before investing?

You should carefully read and understand this Base Prospectus, including any documents incorporated by reference and any supplements to this Base Prospectus, and the applicable Final Terms or applicable Securities Note and Summary prior to investing in any Instruments.

This Base Prospectus contains information about the Issuers and the Guarantor, the general terms and conditions of Instruments and general information about the offer and issue of Instruments. The applicable Final Terms or applicable Securities Note will contain the specific terms and conditions of such Instruments, product specific risk factors (in the case of the applicable Securities Note) and other product specific information, together with information about how investors can purchase the relevant Instruments (if applicable).

It is important that you obtain, carefully read and understand the applicable Final Terms or applicable Securities Note and Summary for Instruments in which you are considering to invest.

What is Bank of America Corporation?

Bank of America Corporation ("BAC") is a Delaware corporation, a U.S. bank holding company and a financial holding company. Through its banking and various non-bank subsidiaries throughout the United States and in international markets, BAC provides a diversified range of banking and non-bank financial services and products through five business segments: (1) *Consumer Banking*, (2) *Global Wealth & Investment Management*, (3) *Global Banking*, (4) *Global Markets* and (5) *Legacy Asset and Servicing*, with the remaining operations recorded in *All Other*. A more detailed description of BAC is set out on pages 660 to 664 of this Base Prospectus.

What will the Issuers do with my money?

Each Issuer intends to use the net proceeds from the issue and sale of the Instruments for general corporate purposes, including making general loans to its affiliates which may use such proceeds for their general corporate purposes. The Group intends to use the proceeds of such loans for general corporate purposes. Such general corporate purposes may include the funding of investments in, or extensions of credit to, subsidiaries, the funding of assets of the Group, the lengthening of the average maturity of the Group's borrowings, and the financing of acquisitions.

A substantial portion of the proceeds from the issue of W&C Instruments may be used to hedge market risk with respect to such W&C Instruments.

What are the risks of investing in any Instruments?

Before making an investment in any Instruments, you should carefully consider all of the information set out in this Base Prospectus relating to the relevant Instruments as well as your own personal circumstances. You should have particular regard to, among other matters, the considerations described under the heading "Risk Factors" on pages 75 to 135 of this Base Prospectus and in any applicable Securities Note.

In order to offer the possibility of higher returns, some Instruments will carry higher risks. The applicable Final Terms or applicable Securities Note for a Series of Instruments will state whether your investment is designed to be at risk and set out the terms on which your investment will be repaid.

What fees and expenses are payable in connection with my Instruments?

The Issuers have incurred and will continue to incur fees and expenses which do not directly relate to one or more specific Series of Instruments. These expenses include (without limitation) fees and expenses incurred or to be incurred by or on behalf of the Issuers in connection with the preparation of this Base Prospectus, the preparation and publication of financial statements and reports, and the general administration of the Issuers. Certain of these expenses will be reimbursed or paid on behalf of the Issuers by MLI.

The fees and expenses which relate to a particular Series of Instruments will be described in the applicable Final Terms or applicable Securities Note.

What tax will I have to pay?

General information relating to United States, The Netherlands, Curaçao, Finland, France, Ireland, Italy, Luxembourg, Spain, Sweden and United Kingdom taxation, is set out under the heading "Taxation" on pages 669 to 703 of this Base Prospectus. If you are unsure of the tax implications of making an investment in any Instruments, you should obtain professional tax advice.

Will my Instruments be listed on a stock exchange?

Application has been made to the Luxembourg Stock Exchange for Instruments issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange. The relevant Issuer may seek a listing for a specific issue of Instruments in respect of the regulated market of the Luxembourg Stock Exchange or may choose not to list the Instruments. In the case of W&C Instruments which are held in uncertificated form in Euroclear UK & Ireland, application may be made by the relevant Issuer for such W&C Instruments to be admitted to the Official List of the UK Listing Authority and admitted to trading on the regulated market of the London Stock Exchange. The Issuers may also issue Instruments which are not listed. It will be disclosed in the applicable Final Terms or applicable Securities Note whether the relevant Instruments are intended to be listed and, if so, on which stock exchange.

What are the terms on which Instruments will be offered?

If applicable, details of the offer, including details of the Offer Period, Issue Price, minimum or maximum subscription amounts, settlement arrangements and any other conditions applicable in relation to an offer of a particular Series of Instruments will be set out in the applicable Final Terms or applicable Securities Note.

How can I hold my Instruments?

The Issuers intend that the Instruments will at all times be represented by a Global Note or a Global W&C Instrument (each a "**Global Instrument**"), except in the case of Swedish Notes, Swedish W&C Instruments or Finnish W&C Instruments, which will be in dematerialised form, and CREST W&C Instruments, which will be in uncertificated form. In relation to Instruments represented by a Global Instrument or dematerialised or uncertificated securities, Instruments will normally be held by investors through custodial arrangements with their bank or broker. Banks and brokers will themselves hold such Instruments through a Clearing System such as Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear Sweden, Euroclear Finland or Euroclear UK & Ireland. In most of these circumstances, the investors will have no direct rights against the relevant Issuer and will only receive any Final Redemption Amount (in the case of Notes) or Cash Settlement Amount (in the case of W&C Instruments) and/or interest (in the case of Notes) or additional amounts (in the case of W&C Instruments), if applicable, attributable to such Instruments on the basis of the arrangements entered into with their banks or brokers. Furthermore, the Clearing System register will only show, and, in most of the circumstances described above, the relevant Issuer will only recognise, the nominee of such Clearing System as a Holder in respect of such Instruments. In certain limited circumstances, a Global Instrument may be exchangeable for definitive Instruments. If such circumstances arise, Holders will be notified.

For Instruments not held through a Clearing System, the investor shown on the Register will be the Holder of such Instrument. To receive payments of principal and/or interest, the investor will need to contact the relevant Paying Agent or Instrument Agent and present evidence of its holding of the Instrument. The relevant Issuer will not make payments to the investors directly but will do so through the relevant Paying Agent or Instrument Agent, as applicable.

Will I be able to sell my Instruments?

MLI or one of its affiliates may use its reasonable endeavours in normal market conditions to provide indicative bid and offer prices for the sale and purchase of Instruments unless otherwise stated in the applicable Final Terms or Securities Note. However, it is not obliged to do so and may cease such activities at any time.

What do I have to do to exercise my rights in respect of the Instruments?

Investors' rights relating to the Instruments represented by a Global Instrument are governed by the procedures of the relevant Clearing Systems and the terms and conditions of the Instruments, as completed by the applicable Final Terms. Investors should note that rights pertaining to certain Instruments may expire if the Instruments are not duly exercised prior to the specified cut-off date. An investor wanting rights in respect of Instruments to be exercised on their behalf should contact their bank or broker.

It is important that you obtain, carefully read and understand the general terms and conditions and applicable Final Terms or applicable Securities Note for the Instruments in which you are considering to invest.

Is there a limit on the amount of Instruments the relevant Issuer will issue for each Series?

MLBV may issue Notes up to a total aggregate nominal value of €15,000,000,000 (or its equivalent in other currencies) under this Programme and its other structured products programmes. There is no limit on the number or total amount of W&C Instruments the Issuers can issue under the Programme. In respect of an issue of Instruments, subject to the first sentence of this paragraph, there is no limit to the amount or number of Instruments that the Issuer may issue. The Issuers can issue a Series of Instruments at any time without giving Holders of other outstanding Instruments notice or obtaining their consent. Any additional Instruments issued by the relevant Issuer will rank equally with all existing Instruments issued by the relevant Issuer.

How are payments made?

In the case of Instruments represented by a Global Instrument or Instruments in dematerialised or uncertificated form, the relevant Issuer will make payments by paying the total amount payable to the applicable Clearing System(s) in accordance with the rules and policies of the applicable Clearing System(s) or in the case of Warrants to the account specified by the Holder in the relevant Exercise Notice.

The applicable Clearing System will credit the appropriate amount to the account of each Holder (which may include intermediaries such as banks or brokers) in accordance with its rules or policies.

Neither the relevant Issuers nor, in respect of Instruments which are not Secured W&C Instruments, BAC has an obligation to make payments directly to investors in the relevant Instruments. Each investor in the Instruments must look to the applicable Clearing System or its bank or broker for payments on such investor's Instruments.

If the date specified for payment is not a Business Day, the relevant Issuer will make the relevant payment on the first following day that is a Business Day, unless a different business day convention is specified in the applicable Final Terms or Securities Note. On these occasions, the payment will be treated as if it were made on the original specified date for payment and will not be considered a late payment. Accordingly, the relevant Issuer will not be obliged to compensate the investor for the postponement. The term "Business Day" is defined within the terms and conditions of the Instruments.

In the case of Physical Delivery Instruments, delivery of the Entitlement will be made directly to the Holder in accordance with the delivery method specified in the Conditions.

How is the value of an investment in Instruments which are Underlying Asset Linked Instruments affected by the value of the Underlying Asset(s)?

General

Where the Final Redemption Amount payable on the Maturity Date (in the case of Notes) or the Cash Settlement Amount payable on the Settlement Date (in the case of Warrants and Certificates) is determined by reference to the performance of the Underlying Asset(s), unless a minimum redemption amount (in the case of Notes) or a minimum cash settlement amount (in the case of Warrants and Certificates) is specified in the applicable Final Terms or the relevant formula otherwise provides that a minimum redemption amount is payable at maturity, the amount received at maturity or exercise of the Instruments will depend on the performance of the Underlying Asset(s) and could be as low as zero.

Where the applicable Entitlement deliverable is determined by reference to the performance of the Underlying Asset(s), the value of the Entitlement on any day (including the day on which a Holder receives such Entitlement or the day on which a Holder sells such Entitlement (or both)) may be as low as zero. If this occurs, investors may sustain a substantial or total loss of their investment.

Where any interest (in the case of Notes) or additional amounts (in the case of Warrants and Certificates) payable is determined by reference to the performance of the Underlying Asset(s), investors should note that, unless a minimum interest or minimum additional amount is specified in the

applicable Final Terms or the terms and conditions of the Instruments, they may receive no interest or additional amount during the term of the Instruments. Please refer to "*Underlying Asset Linked Interest Notes*" and "*Additional Amount Event in respect of W&C Instruments*" below for further details.

The Final Redemption Amount payable on the Maturity Date (in the case of Notes) or the Cash Settlement Amount payable on the Settlement Date (in the case of Warrants and Certificates) may be determined by reference to the occurrence of a Barrier Event, or (in the case of W&C Instruments only) a Knockout Event or Trigger Event (or any combination of the foregoing) on one or more specified date(s) or during a specified period.

Barrier Event, Knockout Event and Trigger Event

Barrier Event

If the applicable Final Terms specify "Barrier Event" to be applicable, then the Final Terms will specify what constitutes a "Barrier Event".

Whether or not a Barrier Event has occurred may be determined by reference to: (i) the closing value or intraday value of one or more Underlying Asset(s) (including the worst performing Underlying Asset) during a specified period, or (ii) any of a closing value or an averaged value of an Underlying Asset, or performance of an Underlying Asset or a basket of Underlying Assets (including the worst performing Underlying Asset) on specified date(s), as specified in the applicable Final Terms.

The performance of an Underlying Asset on any specified date(s) may be calculated by *dividing* (i) the closing or averaged value of such Underlying Asset on such date(s), by (ii) its initial value. The performance of a basket on any specified date(s) is calculated by adding the weighted performance of each Underlying Asset comprising the basket, and such weighted performance is calculated by *multiplying* (a) the performance of such Underlying Asset on such date(s), by (b) its weighting.

Knockout Event and Trigger Event

If the applicable Final Terms for any W&C Instruments specify "Knockout Event" or "Trigger Event" to be applicable, then the Final Terms will specify what constitutes a "Knockout Event" or "Trigger Event".

Whether or not a Trigger Event has occurred may be determined by reference to: (i) the closing or averaged value of a single Underlying Asset or worst performing Underlying Asset on one or more specified date(s), (ii) the value of a basket of Underlying Assets on one or more specified date(s), and (iii) whether such closing or averaged value is less than, less than or equal to, greater than, greater than or equal to, certain specified amount(s) in the applicable Final Terms. The basket value for determining a Trigger Event is calculated by adding the weighted performance of each Underlying Asset comprising the basket, and such weighted performance is calculated by *multiplying* (a) the performance of such Underlying Asset on such date(s), by (b) its weighting.

Whether or not a Knockout Event has occurred may be determined by reference to: (i) the closing value of a single Underlying Asset or worst performing Underlying Asset on one or more specified date(s), or (ii) the value of a basket of Underlying Assets on one or more specified date(s), and (iii) whether such value is greater than or equal to certain specified amount(s) in the applicable Final Terms. The basket value for determining a Knockout Event is calculated by adding the weighted performance of each Underlying Asset comprising the basket, and such weighted performance is calculated by *multiplying* (a) the performance of such Underlying Asset on such date(s), by (b) its weighting.

Automatic Early Redemption of Notes

If the applicable Final Terms for any Notes specify "Automatic Early Redemption" to be applicable, then the Final Terms will specify what constitutes an "Automatic Early Redemption Event".

Whether or not an Automatic Early Redemption Event has occurred may be determined by reference to: (i) the closing value of a single Underlying Asset, or each Underlying Asset in a basket on one or more specified dates, and (ii) whether such closing value is less than, less than or equal to, greater than, greater than or equal to, certain specified amount(s) in the applicable Final Terms.

Following the occurrence of an Automatic Early Redemption Event, the Notes will be redeemed early and the relevant Automatic Early Redemption Amount specified in the applicable Final Terms will become payable and no further amount shall be payable in respect of such Notes. If the Notes are redeemed early, the amount payable to Holders will be limited to the Automatic Early Redemption Amount, which will be a fixed amount, regardless of the value of the relevant Underlying Assets(s) on the relevant early redemption date. Furthermore, investors will not benefit from any movement in the value of relevant Underlying Asset(s) that may occur during the period between the relevant early redemption date and the scheduled maturity date.

In this case, investors in the Notes are subject to a reinvestment risk, as they may not be able to replace their investment in the Notes with an investment that has a similar profile of chances and risks as the Notes. Unless the applicable Final Terms specify the Automatic Early Redemption Amount is a fixed percentage amount of the Calculation Amount, or specify that a minimum redemption amount will be payable, and such amount is greater than an investor's initial investment in each Note of the Calculation Amount, investors in the Notes may lose all or part of their investment.

Mandatory Early Exercise and Mandatory Early Exercise Cash Settlement Amount of W&C Instruments

If the applicable Final Terms for any W&C Instruments specify "Mandatory Early Exercise" to be applicable, then the Final Terms will specify what constitutes a "Mandatory Early Exercise Event".

Whether or not a Mandatory Early Exercise Event has occurred may be determined by reference to: (i) to the asset performance of a single Underlying Asset, a basket of Underlying Assets or the worst performing Underlying Asset on one or more specified date(s), and (ii) whether such asset performance is less than, less than or equal to, greater than, greater than or equal to certain amount(s) specified in the applicable Final Terms.

The asset performance of an Underlying Asset on any specified date is calculated by *dividing* (i) the closing value of such Underlying Asset on such date, by (ii) its initial value. The asset performance of a basket on any specified date is calculated by adding the weighted performance of each Underlying Asset comprising the basket, and such weighted performance is calculated by *multiplying* (a) the performance of such Underlying Asset on such date(s), by (b) its weighting.

If a Mandatory Early Exercise Event has occurred, the W&C Instruments will be exercised early and the relevant Mandatory Early Exercise Cash Settlement Amount specified in the applicable Final Terms will become payable and no further amount shall be payable in respect of such W&C Instruments. If the W&C Instruments are exercised early, the amount payable to Holders will be limited to Mandatory Early Exercise Cash Settlement Amount which will be a fixed amount or zero, regardless of the value of the relevant Underlying Assets(s) on the relevant early exercise date. Furthermore, investors will not benefit from any movement in the value of relevant Underlying Asset(s) that may occur during the period between the relevant early exercise date and the scheduled settlement date.

If the W&C Instruments are early exercised, investors in such W&C Instruments are subject to a reinvestment risk, as they may not be able to replace their investment in such W&C Instruments with an investment that has a similar profile of chances and risks as such W&C Instruments. Unless the applicable Final Terms specify the Mandatory Early Exercise Cash Settlement Amount is a fixed percentage amount of the Reference Amount, or specify a minimum cash settlement amount will be payable, and such amount is greater than an investor's initial investment in each W&C Instrument corresponding to the Reference Amount, then investors should note that they may lose all or part of their investment.

Underlying Asset Linked Interest Notes

If the relevant Notes are Underlying Asset Linked Interest Notes, whether any interest is payable on such Notes may be determined by reference to: (i) the closing value of a single Underlying Asset, or each Underlying Asset in a basket, on specified date(s) and (ii) whether such closing value is greater than or equal to certain specified amount(s) in the applicable Final Terms. If interest is payable on the Notes, the interest amount will be limited to the specified amount in the applicable Final Terms, regardless of the value of the relevant Underlying Assets(s) on the relevant interest payment date(s).

Additional Amount Event in respect of W&C Instruments

If the applicable Final Terms for any W&C Instruments specify "Additional Amount Event Conditions" to be applicable, then the Final Terms will specify what constitutes an "Additional Amount Event". Whether an Additional Amount Event has occurred or not may be determined by reference to: (i) the asset performance of a single Underlying Asset, a basket of Underlying Assets or the worst performing Underlying Asset on specified dates, and (ii) whether such performance is less than, less than or equal to, greater than, greater than or equal to certain amount(s) specified in the applicable Final Terms.

The asset performance of an Underlying Asset on any specified date is calculated by *dividing* (i) the closing value of such Underlying Asset on such date, by (ii) its initial value. The asset performance of a basket on any specified date is calculated by adding the weighted performance of each Underlying Asset comprising the basket, and such weighted performance is calculated by *multiplying* (a) the performance of such Underlying Asset on such date(s), by (b) its weighting.

If an Additional Amount Event has occurred, an Additional Amount will be payable in respect of the W&C Instruments. If the applicable Final Terms specify:

- "Additional Cumulative Amount" to be applicable, the Additional Amount payable on the relevant current Additional Amount payment date depends on the number of Additional Amount payment dates falling in the period from (but excluding) the previous Additional Amount payment date on which an Additional Amount was paid (following the occurrence of an Additional Amount Event) to (but excluding) such current Additional Amount payment date.
- "Range Accrual Additional Amount" to be applicable, the Additional Amount payable depends on the number of days in a specified accrual period on which an Accrual Event has occurred. Whether an Accrual Event has occurred on any day may be determined by reference to: (i) the closing value of a single Underlying Asset or each Underlying Asset in a basket on such day, or (ii) the weighted performance of a basket of Underlying Assets on such day.

Low Exercise Price Warrants

If the applicable Final Terms for any W&C Instruments specify "LEPW Conditions" to be applicable, the Cash Settlement Amount payable on the Settlement Date may be determined by reference to any of (i) the price per Underlying Asset that would be realised by a hypothetical broker dealer less any applicable expenses and taxes in terminating or liquidating applicable hedge positions on the relevant exercise date or during the specified period, or (ii) the official closing level or price of the relevant Underlying Asset on a specified date less any applicable expenses and taxes in connection with the exercise or payments in respect of the W&C Instruments, or acquisition, holding or disposal of the applicable hedge positions, and (if specified in the applicable Final Terms), less any local capital gains tax in connection with the acquisition, holding or disposal of all or the relevant portion of the applicable hedge positions (which may be deemed to be zero if it is confirmed by the relevant tax authorities that no capital gains tax is payable), all as determined by the Calculation Agent.

Target Volatility W&C Instruments

If the applicable Final Terms for any W&C Instruments specify "Target Volatility Conditions" to be applicable, the Cash Settlement Amount payable on the Settlement Date will be determined by reference to the performance of a volatility controlled strategy linked to the price or net asset value of an Underlying Asset or basket of Underlying Assets ("**Strategy**"), an interest rate for deposits in the relevant currency specified in the applicable Final Terms ("**specified interest rate**") and if specified in the Final Terms, the performance of a currency exchange rate ("**specified exchange rate**"). The

Strategy value in respect of any relevant date is an amount calculated from a pre-defined algorithm (specified in the terms and conditions of the W&C Instruments) which is designed to generate a "synthetic" or "virtual" long exposure to the price or net asset value of the relevant Underlying Asset or Basket of Underlying Assets and a "synthetic" or "virtual" cash deposit accruing interest at the specified interest rate. The Strategy's initial value will be a fixed amount specified in the applicable Final Terms.

The performance of the specified exchange rate is calculated by *dividing* (i) the specified exchange rate on a specified exchange rate valuation date, by (ii) the specified exchange rate on the strike date specified in the applicable Final Terms.

The specified exchange rate on any relevant date may be (i) any of a spot, bid, mid or offer rate of exchange for the subject currency into the base currency on such date, or (ii) calculated by *dividing* (a) the spot rate of exchange for the reference currency into the subject currency on such date, by (b) the spot rate of exchange for the base currency into the reference currency on such date.

Target Volatility Linked Additional Amount

If the applicable Final Terms specify "Target Volatility Linked Additional Amount" to be applicable, whether an Additional Amount will be payable on an Additional Amount payment date will be determined by reference to the Volatility Controlled Basket Performance on each specified date immediately preceding such Additional Amount payment date. The Volatility Controlled Basket Performance on any specified date is calculated from the Strategy value on such date less its initial value.

GENERAL DESCRIPTION OF THE PROGRAMME

Issuers:	Merrill Lynch B.V. Merrill Lynch International & Co. C.V.
Guarantor (in respect only of Instruments which are not Secured W&C Instruments):	Bank of America Corporation
Description:	Note, Warrant and Certificate Programme
Guarantee:	The payment and non-cash delivery obligations of the relevant Issuer under the Instruments (other than Secured W&C Instruments) are unconditionally and irrevocably guaranteed by BAC upon and subject to the terms set out in the Guarantee.
Calculation Agent:	Merrill Lynch International or such other calculation agent specified in the applicable Final Terms.
Arranger:	Merrill Lynch International
Instruments:	Instruments of any kind may be issued, including, but not limited to, Index Linked Instruments, Share Linked Instruments, GDR/ADR Linked Instruments, Fund Linked Instruments and Hybrid Basket Linked Instruments.
Status of the Instruments (other than Secured W&C Instruments):	The Instruments (other than Secured W&C Instruments) constitute direct, unsubordinated, unconditional and unsecured obligations of the relevant Issuer and will rank equally among themselves and rank equally (subject to such exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and unsecured indebtedness (in the case of Notes) or obligations (in the case of W&C Instruments (other than Secured W&C Instruments)) of the relevant Issuer.
Status of the Secured W&C Instruments:	The Secured W&C Instruments constitute direct, unsubordinated and unconditional obligations of MLICo., secured in respect of the relevant Collateral Assets, and rank equally among themselves and rank equally (subject to such exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and secured obligations of MLICo.
Status of the Guarantee:	The obligations of BAC under the Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, will rank <i>pari passu</i> with its other present and future unsecured and unsubordinated contractual obligations.
Approval, listing and admission to trading:	Application has been made to the CSSF to approve this Base Prospectus as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Instruments issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange. Instruments may be listed and/or admitted to trading on such other or further exchange(s) and/or market(s) as determined

by the relevant Issuer.

Instruments that are neither listed nor admitted to trading on any market may also be issued.

Governing law:

The Instruments and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law. The Guarantee will be governed by, and construed in accordance with, the laws of the State of New York.

DESCRIPTION OF THE COLLATERAL ARRANGEMENTS RELATING TO SECURED W&C INSTRUMENTS

The following is a description of the security and collateral arrangements in relation to W&C Instruments (such W&C Instruments being hereinafter referred to as Secured W&C Instruments) to which the Secured W&C Instruments Conditions are specified as being applicable in the applicable Final Terms.

Terms used but not otherwise defined in this description shall have the meaning given to them in the relevant Secured W&C Instruments Conditions.

1. General

Each Series of Secured W&C Instruments will be issued by MLICo. and will be secured by a segregated pool of collateral assets (the "**Collateral Assets**") provided by Merrill Lynch International in its capacity as collateral provider (the "**Collateral Provider**"). The Collateral Provider has entered into a custody agreement with The Bank of New York Mellon, London Branch (in such capacity, the "**Custodian**"), which provides for the establishment of cash accounts and securities accounts in the name of the Collateral Provider. For each Series of Secured W&C Instruments, the Collateral Provider shall instruct The Bank of New York Mellon, London Branch (in such capacity, the "**Collateral Agent**") to open segregated collateral accounts (each, a "**Collateral Account**") in accordance with the provisions of a triparty account control agreement to be entered into between the Collateral Provider, the Collateral Agent and the Security Agent (as defined below) (each, a "**Triparty Account Control Agreement**"). Each Series of Secured W&C Instruments will benefit from a deed of charge (each a "**Deed of Charge**"), which will be governed by the English law, granted by the Collateral Provider. Under each Deed of Charge, the Collateral Provider will grant first ranking security over the Collateral Assets contained in the Collateral Account for the relevant Series of Secured W&C Instruments. Secured W&C Instruments may be issued under the (a) Additional Terms and Conditions for Secured W&C Instruments set out in Annex 9 to the Base Prospectus ("**Annex 9 Secured W&C Instruments Conditions**"), pursuant to which the Collateral Assets will be separated into MTM Collateral Assets and Static Collateral Assets and (b) Additional Terms and Conditions for Secured W&C Instruments set out in Annex 10 to the Base Prospectus ("**Annex 10 Secured W&C Instruments Conditions**").

2. Appointment of a Security Agent

In relation to each series of Secured W&C Instruments, The Bank of New Mellon has been appointed as security agent (the "**Security Agent**") and has undertaken to carry out the duties of Security Agent in respect of the Secured W&C Instruments under a New York law governed security agency agreement entered into between, *inter alia*, MLICo., the Collateral Provider and the Security Agent (the "**Security Agency Agreement**").

In relation to each Series of Secured W&C Instruments, the security granted under each Deed of Charge will be granted in favour of the Security Agent or any successor thereto on behalf of itself and the relevant Holders of the Secured W&C Instruments and the other relevant Secured Parties (as defined in the relevant Secured W&C Instruments Conditions) under the Security Agency Agreement.

In performing its role under the Programme, the Security Agent does not act as an advisor to or fiduciary or trustee for the Holders of the Secured W&C Instruments (either as a Series or individually) or any other party and nothing in any of the documents relating to the Programme shall be interpreted to constitute the Security Agent as a trustee or fiduciary of the Issuer, the Collateral Provider, the Holders of the Secured W&C Instruments or any other party.

3. Nature of Collateral Assets

The Collateral Assets held in a Collateral Account and secured pursuant to a Deed of Charge are together referred to as the "**Collateral Pool**".

(a) Annex 9 Secured W&C Instruments Conditions

In respect of Secured W&C Instruments to which the Annex 9 Secured W&C Instruments Conditions apply, a Collateral Pool shall be made up of Static Collateral Assets and MTM Collateral Assets. The Static Collateral Assets shall comprise of debt securities only and that

have the ISIN specified in the applicable Final Terms and debt securities that satisfy all of the Eligibility Criteria (as defined below) applicable to a certain class or type of Eligible MTM Collateral Assets (as defined below) specified in the applicable Final Terms. Such Static Collateral Assets are referred to as "**Eligible Static Collateral Assets**". MTM Collateral Assets may comprise of:

- cash;
- debt securities (including, but not limited to, government bonds, corporate bonds, covered bonds and asset backed securities);
- equity securities, shares, units or interests in a fund; and/or
- any other negotiable financial instruments in book entry-form.

The MTM Collateral Assets must satisfy the eligibility criteria (the "**Eligibility Criteria**") specified in the applicable Final Terms relating to such Series of Secured W&C Instruments. MTM Collateral Assets satisfying the relevant Eligibility Criteria are referred to as "**Eligible MTM Collateral Assets**".

The Eligibility Criteria specified in the applicable Final Terms will set out the criteria which must be met for MTM Collateral Assets to constitute Eligible MTM Collateral Assets and may include limitations on the type of MTM Collateral Assets that may be held, the maturity of the MTM Collateral Assets, the liquidity of the MTM Collateral Assets, requirements regarding the jurisdiction of the issuer of the MTM Collateral Assets or its guarantor or the credit rating of the obligor of the MTM Collateral Assets and/or any other limitations, restrictions and/or requirements concerning the MTM Collateral Assets as may be specified in the applicable Final Terms.

Notwithstanding the Eligibility Criteria specified to be applicable in the applicable Final Terms in respect of a Series of Secured W&C Instruments, the Collateral Agent shall be obliged to refer only to the terms of the relevant Triparty Account Control Agreement in determining whether the MTM Collateral Assets comply with the eligibility criteria set out in the relevant Triparty Account Control Agreement.

(b) **Annex 10 Secured W&C Instruments Conditions**

In respect of Secured W&C Instruments to which the Annex 10 Secured W&C Instruments Conditions apply, a Collateral Pool shall be made up of Collateral Assets comprising of:

- cash;
- debt securities (including, but not limited to, government bonds, corporate bonds, covered bonds and asset backed securities);
- equity securities, shares, units or interests in a fund; and/or
- any other negotiable financial instruments in book entry-form.

The Collateral Assets must satisfy the eligibility criteria (the "**Eligibility Criteria**") specified in the applicable Final Terms relating to such Series of Secured W&C Instruments. Collateral Assets satisfying the relevant Eligibility Criteria are referred to as "**Eligible Collateral Assets**".

The Eligibility Criteria specified in the applicable Final Terms will set out the criteria which must be met for Collateral Assets to constitute Eligible Collateral Assets and may include limitations on the type of Collateral Assets that may be held, the maturity of the Collateral Assets, the liquidity of the Collateral Assets, requirements regarding the jurisdiction of the issuer of the Collateral Assets or its guarantor or the credit rating of the obligor of the Collateral Assets and/or any other limitations, restrictions and/or requirements concerning the Collateral Assets as may be specified in the applicable Final Terms.

Notwithstanding the Eligibility Criteria specified to be applicable in the applicable Final Terms in respect of a Series of Secured W&C Instruments, the Collateral Agent shall be obliged to refer only to the terms of the relevant Triparty Account Control Agreement in determining whether the Collateral Assets comply with the eligibility criteria set out in the relevant Triparty Account Control Agreement.

4. **Segregation between Collateral Pools, Limited Recourse and Non-Petition**

By acquiring and holding Secured W&C Instruments, Holders of the Secured W&C Instruments will be deemed to acknowledge and agree that the obligations of the Issuer to the Holders of the Secured W&C Instruments are limited in recourse to the Collateral Assets contained in the relevant Collateral Pool securing such Series of Secured W&C Instruments. In particular, the Collateral Assets contained in any other Collateral Pool will not be available to pay amounts due in respect of any Secured W&C Instruments which are not secured by that Collateral Pool. The Secured W&C Instruments are not guaranteed by the Guarantor or any other entity and therefore Holders of the Secured W&C Instruments will have no claim against the Guarantor or any other entity in respect of any such amounts owing to them which remain unpaid.

5. **Valuation of Collateral**

In order to ensure that a Series of Secured W&C Instruments is collateralised in accordance with its terms, on each Issue Date and relevant Collateral Business Day (each such test date being a "**Collateral Test Date**"), the actual value of the Collateral Assets will be tested against the required value of the Collateral Assets to be held in the Collateral Accounts to secure the relevant Series of Secured W&C Instruments, as determined in accordance with the provisions of the applicable Secured W&C Instruments Conditions. Merrill Lynch International shall undertake the duties of Secured W&C Instruments valuation agent (the "**Secured W&C Instruments Valuation Agent**") under the terms of a valuation agency agreement (the "**Valuation Agent Agreement**"), pursuant to which it will determine values relating to the collateral and provide them to the Collateral Agent as described below:

(a) **Annex 9 Secured W&C Instruments Conditions**

On the Collateral Business Day immediately preceding the Collateral Test Date, the Secured W&C Instruments Valuation Agent will determine and will send to the Collateral Agent a Collateral Test Notice notifying it of the following: (a) in respect of the Static Collateral Assets, the Static Collateral Specified Percentage of the Required Static Collateral Nominal Amount; and (b) in respect of the MTM Collateral Assets, the MTM Collateral Specified Percentage of the Required MTM Collateral Value. On each Collateral Test Date, the Collateral Agent shall: (a) in respect of the Static Collateral Assets, determine the Pool Aggregate Collateral Nominal Amount and verify if such amount is greater than or equal to the Static Collateral Specified Percentage of the Required Static Collateral Nominal Amount (the "**Static Collateral Test**"); and (b) in respect of the MTM Collateral Assets, determine the Collateral Value of the MTM Collateral Assets in the Collateral Account and verify if such value is greater than or equal to the MTM Collateral Specified Percentage of the Required MTM Collateral Value (the "**MTM Collateral Test**").

(i) **Static Collateral Assets**

(A) *Pool Aggregate Collateral Nominal Amount*

The Pool Aggregate Collateral Nominal Amount in respect of a Collateral Pool on a relevant date, is an amount, expressed in the currency specified in the applicable Final Terms (the "**Collateral Valuation Currency**"), equal to the aggregate nominal amount of the Static Collateral Assets held in the Collateral Account on the relevant date, as determined by the Collateral Agent.

(B) *Static Collateral Specified Percentage of the Required Static Collateral Nominal Amount*

The Static Collateral Specified Percentage of the Required Static Collateral Nominal Amount is the percentage, as specified in the applicable Final Terms, of, in respect of a Collateral Pool which secures a Series of Secured W&C

Instruments and any relevant date, the sum of the Notional Amount of each Non-Waived W&C Instrument of such Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent.

(ii) ***MTM Collateral Assets***

(A) ***Collateral Value***

The Collateral Value is, in respect of a Collateral Pool and a Collateral Test Date, an amount, expressed in the Collateral Valuation Currency, equal to the sum of the Margin Value of each Eligible MTM Collateral Asset in such Collateral Pool on such Collateral Test Date, as determined by the Collateral Agent.

(B) ***MTM Collateral Specified Percentage of the Required MTM Collateral Value***

The MTM Collateral Specified Percentage of the Required MTM Collateral Value is the percentage, as specified in the applicable Final Terms, of, in respect of a collateral Pool and a Collateral Test Date, the greater of zero and the sum of each portion of the Marked-to-Market Option Value at the relevant time that relates to a Non-Waived W&C Instrument of the relevant Series of Secured W&C Instruments which are secured by such Collateral Pool, as determined by the Secured W&C Instruments Valuation Agent.

(b) **Annex 10 Secured W&C Instruments Conditions**

On the Secured W&C Instrument Valuation Date for each Collateral Test Date, the Secured W&C Instruments Valuation Agent will determine the Required Collateral Value and will send the Collateral Agent a Collateral Test Notice notifying it of such Required Collateral Value. On each Collateral Test Date, the Collateral Agent shall calculate the Collateral Value and verify if such value is greater than or equal to the Required Collateral Value (the "Collateral Test").

(i) ***Collateral Value***

Except if "Collateral Valuation at Nominal Value" is specified as applicable in the applicable Final Terms, the Collateral Value is an amount equal to the sum of the quotient of (a) the Market Value of each Eligible Collateral Asset, divided by (b) the Margin Percentage applicable to each Eligible Collateral Asset, as determined by the Collateral Agent.

If "Collateral Valuation at Nominal Value" is specified as applicable in the applicable Final Terms, the Collateral Value shall be deemed to be equal to the total aggregate nominal value of the Collateral Assets constituting Eligible Collateral Assets, as determined by the Collateral Agent.

The Collateral Agent shall calculate the Collateral Value as of the relevant Collateral Valuation Time (as described below) in the Collateral Valuation Currency. Where the currency of denomination of a Collateral Asset is other than the Collateral Valuation Currency, the Collateral Agent shall convert the value of such Collateral Asset at the relevant spot exchange rate or spot rates in accordance with such method and as at such time as the Collateral Agent may select in its discretion, having regard to the then current rates of exchange.

(ii) ***Required Collateral Value***

The Required Collateral Value will be calculated by the Secured W&C Instruments Valuation Agent on the Issue Date and on each Secured W&C Instrument Valuation Date, as follows:

- (A) where "MV Collateralisation" is specified as being the Type of Collateralisation applicable in the applicable Final Terms relating to a Series of Secured W&C

Instruments, the Required Collateral Value shall be equal to the product of (a) the Collateralisation Percentage, (b) the Secured W&C Instrument Market Value and (c) the number of Non-Waived W&C Instruments of such Series;

- (B) where "NV Collateralisation" is specified as being the Type of Collateralisation applicable in the applicable Final Terms relating to a Series of Secured W&C Instruments, the Required Collateral Value shall be equal to the product of (a) the Collateralisation Percentage and (b) the total aggregate nominal value of the Non-Waived W&C Instruments of such Series;
- (C) where "Min (MV, NV) Collateralisation" is specified as being the Type of Collateralisation applicable in the applicable Final Terms relating to a Series of Secured W&C Instruments, the Required Collateral Value shall be equal to the lower of (a) the product of (1) the Collateralisation Percentage, (2) the Secured W&C Instrument Market Value and (3) the number of Non-Waived W&C Instruments or (b) the product of (1) the Collateralisation Percentage and (2) the total aggregate nominal value of the Non-Waived W&C Instruments of such Series; or
- (D) where "Max (MV, NV) Collateralisation" is specified as being the Type of Collateralisation applicable in the applicable Final Terms relating to a Series of Secured W&C Instruments, the Required Collateral Value shall be equal to the greater of (a) the product of (1) the Collateralisation Percentage, (2) the Secured W&C Instrument Market Value and (3) the number of Non-Waived W&C Instruments or (b) the product of (1) the Collateralisation Percentage and (2) the specified proportion of the total aggregate nominal value of the Non-Waived W&C Instruments of such Series.

The Collateralisation Percentage relating to a Series of Secured W&C Instruments will be specified in the applicable Final Terms and may specify a different Collateralisation Percentage in respect of different Collateral Test Dates.

6. Adjustments to Collateral Pool and Collateral Agent Notice

(a) Annex 9 Secured W&C Instruments Conditions

If on the relevant Collateral Test Date the Collateral Agent determines that the Collateral Test is not satisfied, the Collateral Agent will promptly send to the Collateral Provider a Collateral Agent Notice. On the date such Collateral Agent Notice is given, the Collateral Provider will instruct the Collateral Agent to transfer sufficient additional Eligible MTM Collateral Assets or Eligible Static Collateral Assets (as applicable) into the relevant Collateral Account to satisfy the Collateral Test.

The Collateral Provider will ensure that sufficient Eligible MTM Collateral Assets and Eligible Static Collateral Assets are Delivered into the relevant Collateral Account on or before each Collateral Test Date to satisfy the Collateral Test in respect of such Collateral Test Date for the relevant Series of Secured W&C Instruments.

(b) Annex 10 Secured W&C Instruments Conditions

If on the relevant Collateral Test Date the Collateral Agent determines that the Collateral Test is not satisfied, the Collateral Agent will promptly send the Collateral Provider a Collateral Agent Notice. On the date such Collateral Agent Notice is given, the Collateral Provider will instruct the Collateral Agent to transfer sufficient additional Eligible Collateral Assets into the relevant Collateral Account to satisfy the Collateral Test.

The Collateral Provider will ensure that sufficient Eligible Collateral Assets are Delivered into the relevant Collateral Account on or before each Collateral Test Date to satisfy the Collateral Test in respect of such Collateral Test Date for the relevant Series of Secured W&C Instruments.

7. Waived W&C Instruments

In respect of all Secured W&C Instruments held by the Issuer or its Affiliates, including but not limited to, in its capacity as market maker, the Issuer or its Affiliates will be deemed to have waived their rights (a) to receive the proceeds of realisation of the Collateral Assets securing such Series of Secured W&C Instruments (and where "Physical Delivery of Static Collateral Assets" is specified as applicable in the applicable Final Terms, delivery of the Static Collateral Assets) following the enforcement of the relevant Deed of Charge and Charged Documents or the cancellation of such Series of Secured W&C Instruments following the occurrence of a Collateral Asset Default and (b) to give an Acceleration Notice on the occurrence of a Secured W&C Instrument Event of Default ("**Waived W&C Instruments**").

As a consequence, when making various calculations under the Secured W&C Instruments Conditions, including the Required MTM Collateral Value and the Required Static Collateral Nominal Amount (under the Annex 9 Secured W&C Instruments Conditions) and the Required Collateral Value (under the Annex 10 Secured W&C Instruments Conditions), the Secured W&C Instruments Valuation Agent shall only take into account the value of the Secured W&C Instruments that are not subject to such waiver (any such Secured W&C Instruments being "**Non-Waived W&C Instruments**").

8. **Collateral Substitution**

(a) **Annex 9 Secured W&C Instruments Conditions**

The Collateral Provider may, subject to the terms of the relevant Triparty Account Control Agreement, withdraw and/or replace MTM Collateral Assets from the relevant Collateral Account provided that following such adjustment the Collateral Test continues to be satisfied. The Collateral Provider will send or cause to be sent a notice to the Collateral Agent specifying the adjustments to be made to the Collateral Pool (including *inter alia* the type and quantity of any MTM Collateral Assets to be deposited and/or removed).

The Issuer and the Collateral Provider shall not be entitled to withdraw and/or replace Static Collateral Assets from the relevant Collateral Account, provided that the Collateral Provider may withdraw from the relevant Collateral Account an aggregate nominal amount of Static Collateral Assets equal to the sum of the Notional Amount of each Non-Waived W&C Instrument that is converted into a Waived W&C Instrument if, following such adjustment, the Collateral Test continues to be satisfied.

(b) **Annex 10 Secured W&C Instruments Conditions**

The Collateral Provider may, subject to the terms of the relevant Triparty Account Control Agreement, withdraw and/or replace Collateral Assets from the relevant Collateral Account provided that following such adjustment the Collateral Test continues to be satisfied. The Collateral Provider will send or cause to be sent a notice to the Collateral Agent specifying the adjustments to be made to the Collateral Pool (including *inter alia* the type and quantity of any Collateral Assets to be deposited and/or removed).

9. **Early settlement following the occurrence of a Collateral Disruption Event**

(a) **Annex 9 Secured W&C Instruments Conditions**

If the Secured W&C Instruments Valuation Agent determines that a Collateral Disruption Event has occurred or is continuing, the Issuer may in its sole discretion cancel all of the relevant Secured W&C Instruments at their the Early Settlement Amount (CDE) or, if "Physical Delivery of Static Collateral Assets" is specified to be applicable in the applicable Final Terms, deliver Static Collateral Assets that make up the Entitlement (CDE) in accordance with the Secured W&C Instruments Conditions. The Early Settlement Amount (CDE) will be calculated on the basis of (i) if "Physical Delivery of Static Collateral Assets" is specified not to be applicable in the applicable Final Terms, the market value of the option entered into by the Issuer and/or its Affiliates to hedge the Issuer's payment obligations plus the lesser of the notional amount of the Secured W&C Instruments and the proceeds of the liquidation and realisation of the Static Collateral, less any of the hedge unwind costs of the Issuer and/or its Affiliates and costs of realising the Collateral Assets or (ii) if the applicable Final Terms specify "Physical Delivery of Static Collateral Assets" to be applicable, the market value of the option entered into by the Issuer and/or its Affiliates to hedge the Issuer's

payment obligations less any hedge unwind costs of the Issuer and/or its Affiliates and costs of realising the Collateral Assets.

Collateral Disruption Events are defined in the Secured W&C Instruments Conditions and include, but are not limited to: (i) a Collateral Asset Default occurs or is continuing, as determined by the Secured W&C Instruments Valuation Agent; or (ii) the Collateral Provider being (A) unable, after using commercially reasonable efforts, to acquire the necessary Collateral Assets or (B) subject to materially increased costs in acquiring Collateral Assets; or (iii) the Issuer being unable, after using commercially reasonable efforts, to find a suitable substitute or replacement Collateral Arrangement Party (as defined below) following the termination of the relevant agreements or resignation or removal, for any reason, of any Collateral Arrangement Party.

(b) **Annex 10 Secured W&C Instruments Conditions**

If the Secured W&C Instruments Valuation Agent determines that a Collateral Disruption Event has occurred or is continuing, the Issuer may in its sole discretion cancel all of the relevant Secured W&C Instruments at the Early Settlement Amount following the occurrence of a Collateral Disruption Event. The Early Settlement Amount will be calculated on the basis of the fair market value of such Secured W&C Instrument less any hedge unwind costs of the Issuer and/or its Affiliates.

Collateral Disruption Events are defined in the Secured W&C Instruments Conditions and include, but are not limited to: (i) the Collateral Provider being (A) unable, after using commercially reasonable efforts, to acquire the necessary Collateral Assets or (B) subject to materially increased costs in acquiring Collateral Assets; or (ii) the Issuer being unable, after using commercially reasonable efforts, to find a suitable substitute or replacement Collateral Arrangement Party (as defined below) following the termination of the relevant agreements or resignation or removal, for any reason, of any Collateral Arrangement Party.

For the avoidance of doubt, the occurrence of a Collateral Disruption Event will not constitute a Secured W&C Instrument Event of Default

10. **Default in provision of Collateral Assets**

A "**Required Collateral Default**" shall occur if, following receipt by the Collateral Provider of a Collateral Agent Notice which indicates that the Collateral Test is not satisfied (or will not be satisfied after taking into account any adjustments specified in a Collateral Test Notice), the Collateral Provider fails to instruct the Collateral Agent to transfer sufficient Collateral Assets into the Collateral Account and such failure results in the Collateral Test not being satisfied for one Collateral Business Day following delivery of such Collateral Agent Notice (when determining whether the Collateral Test has been so satisfied, only Collateral Assets which have actually been transferred to the relevant Collateral Account shall be taken into account).

Following the occurrence of a Required Collateral Default, the Collateral Agent will send a notice (a "**Required Collateral Default Notice**") to the Collateral Provider and the Security Agent, specifying that a Required Collateral Default has occurred. The Collateral Provider shall notify the Issuer of the Required Collateral Default Notice. The Security Agent shall as soon as reasonably practicable after receiving a Required Collateral Default Notice give notice to the relevant Instrument Agent and the relevant Instrument Agent will give notice as soon as reasonably practicable to all relevant Holders of the receipt of a Required Collateral Default Notice.

11. **Secured W&C Instruments Events of Default**

The Secured W&C Instruments are subject to various events of default (each a "**Secured W&C Instrument Event of Default**"), including, but not limited to, (i) the Issuer's failure to pay Additional Amounts and Cash Settlement Amounts or to deliver any Entitlement, (ii) insolvency proceedings against the Issuer, (iii) the occurrence of a Required Collateral Default, or (iv) a failure by the Issuer

and/or the Collateral Provider to comply with or perform its obligations under the Security Agency Agreement or the relevant Deed of Charge.

If a Secured W&C Instrument Event of Default occurs and is continuing with respect to any Series of Secured W&C Instruments, then any Holder may, at its option, send an Acceleration Notice through the relevant Clearing System to the relevant Instrument Agent. If the Holder(s) of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments outstanding send Acceleration Notice(s) through the relevant Clearing System to the relevant Instrument Agent, and if any such default is not waived or cured in accordance with the Secured W&C Instruments Conditions an "Acceleration Event" shall occur in respect of such Series of Secured W&C Instruments.

The relevant Instrument Agent will as soon as reasonably practicable after the occurrence of an Acceleration Event send an instruction (an "**Acceleration Instruction**") to the Security Agent confirming that the Holders of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of the Non-Waived W&C Instruments outstanding have delivered Acceleration Notices and thereby instructing the Security Agent to, *inter alia*, enforce the security constituted by the relevant Deed of Charge and distribute the proceeds (and, if applicable, physically settle the Entitlement), in each case, in accordance with its terms, the Secured W&C Instruments Conditions and the Security Agency Agreement.

If the Security Agent receives an Acceleration Instruction, the Security Agent shall (acting in accordance with such Acceleration Instruction), *inter alia*, as soon as reasonably practicable, (i) deliver a Collateral Enforcement Notice to each of the Issuer, the Collateral Provider and the relevant Instrument Agent, (ii) give notice to the relevant Instrument Agent of, *inter alia*, the occurrence of an Acceleration Event, upon which the relevant Instrument Agent will give notice of the same to all relevant Holders, and (iii) appoint a Disposal Agent, if a Disposal Agent has not already been appointed.

12. Collateral Enforcement

(a) Annex 9 Secured W&C Instruments Conditions

Following delivery of a Collateral Enforcement Notice, the Security Agent (acting in accordance with an Acceleration Instruction) shall enforce the security constituted by the relevant Deed of Charge relating to the relevant Collateral Pool in accordance with the terms thereof and the Secured W&C Instruments Conditions and the terms of the Security Agency Agreement and will give instructions to the Disposal Agent to effect a liquidation and realisation of the Collateral Assets in the Collateral Pool which secures such Series of Secured W&C Instruments: (i) by liquidating or realising all Collateral Assets in the Collateral Pool; or (ii) where "Physical Delivery of Static Collateral Assets" is specified to be applicable in the applicable Final Terms: (A) firstly, by liquidating or realising the MTM Collateral Assets in the Collateral Pool in accordance with the Secured W&C Instruments Conditions; (B) secondly, to the extent the proceeds available following the liquidation and realisation of the MTM Collateral Assets in the Collateral Pool are insufficient to make payment of any amounts payable to the Secured Parties ranking prior to the Holders of the Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms, by liquidating or realising an amount of Static Collateral Assets sufficient to make the remainder of such payments in accordance with Secured W&C Instruments; and (C) thirdly, by liquidating or realising an amount of Static Collateral Assets to the cover any outstanding hedge unwind costs.

The Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) will (i) liquidate or realise the MTM Collateral Assets and, if applicable, the Static Collateral Assets and distribute the relevant Collateral Enforcement Proceeds Share to the relevant Holders or (ii) where "Physical Delivery of Static Collateral Assets" is specified to be applicable in the applicable Final Terms, arrange for delivery of the Entitlement to the relevant Holders, in each

case in accordance with the Order of Priority specified in the applicable Final Terms and the Annex 9 Secured W&C Instruments Conditions.

(b) Annex 10 Secured W&C Instruments Conditions

Following receipt of a Collateral Enforcement Notice, the Security Agent (acting in accordance with an Acceleration Instruction) shall enforce the security constituted by the relevant Deed of Charge relating to the relevant Collateral Pool in accordance with the terms thereof and the Secured W&C Instruments Conditions and the terms of the Security Agency Agreement and will give instructions to the Disposal Agent to (i) liquidate or realise the Collateral Assets in the Collateral Pool and subsequently distribute the relevant Collateral Enforcement Proceeds Share to the relevant Holders or (ii) where "Physical Delivery of Collateral Assets" is specified to be applicable in the applicable Final Terms, arrange for delivery of the relevant Entitlement to the relevant Holders, in each case in accordance with the Order of Priority specified in the applicable Final Terms and the Annex 10 Secured W&C Instruments Conditions.

13. Enforcement and realisation by Holders

No Holder shall be entitled to enforce a Deed of Charge or to proceed directly against the Collateral Provider to enforce the other provisions of a Charged Document unless the Security Agent, having become bound to so enforce or proceed, fails so to do within a reasonable time and such failure is continuing or the Security Agent is prevented from enforcing a Deed of Charge by any court order. If a Holder becomes so entitled, then such Holder shall not be entitled to enforce the relevant Deed of Charge or Charged Document in the United Kingdom.

If the Security Agent becomes bound to enforce a Deed of Charge or a Charged Document and fails to do so within a reasonable time and such failure is continuing or the Security Agent is prevented from enforcing a Deed of Charge by any court order, then, without prejudice to the paragraph above, Holder(s) of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments outstanding may remove the Security Agent and appoint a replacement Security Agent in accordance with the Secured W&C Instrument Conditions and the terms of the Security Agency Agreement.

Neither the Issuer nor any Holder shall be entitled to enforce a Triparty Account Control Agreement or the Custodian Agreement or to proceed directly against the Collateral Agent or the Custodian to enforce the terms of the relevant Triparty Account Control Agreement or the Custodian Agreement (as applicable). Neither the Collateral Agent nor the Custodian shall have any liability to the Issuer or any Holder as to the consequence of any actions taken by the Collateral Agent or Custodian (as applicable).

14. Physical Delivery of Collateral Assets Disruption Event

Where "Physical Delivery of Collateral Assets" is specified as applicable in the applicable Final Terms, in certain circumstances, if, in the opinion of the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), delivery of all or some of the Static Collateral Assets (in respect of Secured W&C Instruments to which the Annex 9 Secured W&C Instruments Conditions apply) or the Collateral Assets (in respect of Secured W&C Instruments to which the Annex 10 Secured W&C Instruments Conditions apply) forming part of the Entitlement is not possible for a specified period of time, then the Security Agent, or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), in lieu of physical settlement, may sell or realise such undeliverable Static Collateral Assets or Collateral Assets, as applicable, and deliver the proceeds thereof to Holders.

15. Replacement of Collateral Arrangement Parties

Each of the Collateral Transaction Documents contains, or will contain, provisions for the termination of such agreement and, as the case may be, the removal or replacement of the role of the relevant appointed thereunder (each a "**Collateral Arrangement Party**"). Any such termination, removal and/or replacement will be effected in accordance with the provisions of such agreements and (other

than in respect of the Custodian or the Collateral Agent) the Secured W&C Instruments Conditions and may be effected without the consent of Holders. No such termination or removal shall be effective until a replacement entity has been appointed. The Secured W&C Instruments Valuation Agent shall be required to give notice to Holders of any such termination, removal and/or replacement.

A replacement Collateral Arrangement Party may only be appointed when the following conditions are fulfilled: the replacement Collateral Arrangement Party (other than the replacement Custodian or Collateral Agent): (i) is an institution incorporated and in good standing in the United States of America or one of the States thereof or in a state which is, as at the date of the relevant Collateral Transaction Document, a member state of the European Union; (ii) has the requisite resources and legal capacity to perform the duties imposed upon the relevant existing Collateral Arrangement Party under the relevant Collateral Transaction Document and is a recognised provider of the services provided by such Collateral Arrangement Party; (iii) is legally qualified and has the capacity to act as successor to the relevant Collateral Arrangement Party on the terms of the relevant Collateral Transaction Document; and (iv) whose performance of its duties under the relevant Collateral Transaction Document will not cause the Issuer and/or Collateral Provider to become subject to tax in any jurisdiction where such successor is incorporated, established, doing business, has a permanent establishment or is otherwise considered tax resident.

The Security Agency Agreement contains, or will contain, provisions for the termination of such agreement and the removal or replacement of the Security Agent appointed thereunder. Any such termination, removal and/or replacement will be effected in accordance with the provisions of the Security Agency Agreement and may be effected without the consent of Holders. No such termination or removal shall be effective until a replacement Security Agent has been appointed.

FORM OF THE INSTRUMENTS

Words and expressions defined in the "Terms and Conditions of the Notes" or "Terms and Conditions of the W&C Instruments", as applicable, shall have the same meanings in this Form of the Instruments.

Form of the Notes

Registered Notes

Each Tranche of Notes issued in registered form ("**Registered Notes**") will be represented by a global registered note (a "**Global Registered Note**") or Notes in definitive form ("**Definitive Registered Notes**") represented by individual note certificates ("**Individual Note Certificates**"), as the case may be, together with the attached or incorporated Terms and Conditions of the Notes and the applicable Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with either (a) the Common Depositary for Euroclear, Clearstream, Luxembourg or any other relevant clearing system, in the case of a Registered Global Note not intended to be issued under the New Safekeeping Structure ("**NSS**"), and registered in the name of a nominee of the Common Depositary, or (b) the Common Safekeeper for Euroclear, Clearstream, Luxembourg or any other relevant clearing system, in the case of a Registered Global Note intended to be issued under the NSS, and registered in the name of a nominee of the Common Safekeeper.

The NSS form allows Notes in registered form to be issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon their issue or at any other time prior to the applicable maturity date. However, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Beneficial interests in a Registered Global Note will be exchangeable for Definitive Registered Notes represented by Individual Note Certificates if: (1) an Event of Default (as defined herein) occurs and is continuing, (2) MLBV is notified that Euroclear and/or Clearstream, Luxembourg or any other relevant clearing system has been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system approved by the holders of the Notes is available, or (3) MLBV, after notice to the Principal Paying Agent, determines to issue the Notes in definitive form.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, MLBV shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five Business Days of the delivery by or on behalf of the registered holder of the Global Registered Note to the Principal Paying Agent of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Principal Paying Agent.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Principal Paying Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth calendar day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the

Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth calendar day (in the case of (a) immediately above) or at 5.00 p.m. (London time) on such due date (in the case of (b) immediately above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under a deed of covenant relating to the Notes dated 10 August 2015 (the "**Notes Deed of Covenant**") executed by MLBV. Under the Notes Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against MLBV all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they were entered in the Register as the holder of Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Swedish Notes

If the Notes are to be issued into and cleared through the Swedish CSD (as defined under "*Terms and Conditions of the Notes*") ("**Swedish Notes**"), such Swedish Notes will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998: 1479) om kontoföring av finansiella instrument*).

Form of the Warrants

Registered Warrants

If the applicable Final Terms specify that Warrants are eligible for sale exclusively in the United States or to, or for the account or benefit of, United States Persons (as defined below) pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the Warrants sold (a) in the United States to qualified institutional buyers within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act ("**QIBs**") who are also each a qualified purchaser (each a "**QP**") within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**1940 Act**") and the rules thereunder or (b) to, or for the account or benefit of, United States Persons who are QIBs and also QPs will be represented by a Rule 144A Global Warrant (the "**Rule 144A Global Warrant**") which will be in registered form and either (i) deposited with the U.S. Warrant Agent as a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**"); or (ii) deposited with, and registered in the name of a nominee for, the Common Depositary.

Unless otherwise indicated, as used in this Base Prospectus, "**United States Person**" means a person which is a "U.S. person" as defined by Regulation S under the Securities Act or a "United States person" as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended, and in U.S. Treasury regulations. Unsecured Warrants which may be sold as described above to United States Persons who are QIBs and also QPs in reliance on Rule 144A are referred to in this Base Prospectus as "**Rule 144A Warrants**", which term shall also include, where the context requires, Rule 144A Warrants sold as described in the succeeding paragraph that are represented by a Regulation S/Rule 144A Global Warrant (as defined below).

If specified in the applicable Final Terms, the Warrants may be sold (a) in the United States to QIBs who are also QPs or (b) to, or for the account or benefit of, United States Persons who are QIBs and also QPs and, in either case, concurrently outside the United States to non-United States Persons and will be represented by a Regulation S/Rule 144A Global Warrant (the "**Regulation S/Rule 144A Global Warrant**") which will be in registered form and deposited with, and registered in the name of a nominee for, the Common Depositary.

If the Warrants are to be issued into and transferred through accounts at Euroclear and Clearstream, Luxembourg, and are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons, such Series of Warrants will on issue be constituted by a global warrant in

registered form (the "**Euroclear/CBL Global Registered Warrant**"), which will be deposited with, and registered in the name of the nominee of, the Common Depositary.

Each Rule 144A Global Warrant, Regulation S/Rule 144A Global Warrant and Euroclear/CBL Global Registered Warrant will be exchangeable in whole, but not in part, for individual warrant certificates ("**individual warrant certificates**") in a form to be agreed between MLICo. and the Principal Warrant Agent or U.S. Warrant Agent, as applicable, representing Warrants in definitive form ("**Definitive Registered Warrants**"), only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (a) in the case of Warrants represented by a Rule 144A Global Warrant held through DTC, either DTC has notified MLICo. that it is unwilling or unable to continue as a depositary for that Rule 144A Global Warrant held through DTC and no alternative clearing system is available, or DTC has ceased to be a "clearing agency" registered under the Exchange Act, and no alternative clearing system is available, (b) in the case of Warrants registered in the name of a nominee of the Common Depositary, MLICo. has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (c) MLICo. or the Guarantor has or will become subject to adverse tax consequences which would not be suffered were the Warrants held in definitive form. MLICo. will give notice of any such Exchange Event to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).

Whenever the Global Warrant is to be exchanged for individual warrant certificates, such individual warrant certificates shall be issued in equal number to the number of Warrants represented by the Global Warrant within five business days of the delivery, by or on behalf of the Holder, DTC or such other relevant clearing system, to the Principal Warrant Agent or U.S. Warrant Agent, as applicable, of such information as is required to complete and deliver such individual warrant certificates (including, without limitation, the names and addresses of the persons in whose names the individual warrant certificates are to be registered and the number or nominal amount of each such person's holding) against the surrender of the Global Warrant at the specified office of the Principal Warrant Agent or U.S. Warrant Agent, as applicable.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Warrants scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Principal Warrant Agent or U.S. Warrant Agent, as applicable, may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) individual warrant certificates have not been issued and delivered by 5.00 p.m. (London time) on the thirtieth calendar day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Warrant; or
- (b) the date for final settlement of the Warrants has occurred and payment in full of the amount due has not been made to the Holder on the due date for payment in accordance with the terms of the Global Warrant,

then the Global Warrant (including the obligation to deliver individual warrant certificates) will become void at 5.00 p.m. (London time) on such thirtieth calendar day (in the case of (a) immediately above) or at 5.00 p.m. (London time) on such due date (in the case of (b) immediately above) and the Holder of the Global Warrant will have no further rights thereunder (but without prejudice to the rights which the Holder of the Global Warrant or others may have under a deed of covenant relating to the W&C Instruments dated 10 August 2015 (the "**W&C Instruments Deed of Covenant**") executed by the Issuers). Under the W&C Instruments Deed of Covenant, each Holder is entitled to exercise or enforce in respect of each Warrant held by him, the rights and obligations attaching to the relevant Warrant as set out in, and subject to, the W&C Instruments Deed of Covenant, the W&C Instruments Conditions and the applicable Final Terms issued in respect of such Warrants.

CBF Warrants

If the Warrants are to be issued into and transferred through accounts at Clearstream Banking AG, Frankfurt am Main ("**Clearstream, Frankfurt**") ("**CBF Warrants**"), such CBF Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons, and will on issue be constituted by a global warrant in bearer form, provided, however, that the CBF Warrants will be treated as in registered form for United States federal income tax purposes. The relevant global warrant will be delivered on or prior to the issue date of the relevant Series of CBF Warrants to Clearstream, Frankfurt.

Swedish Warrants and Finnish Warrants

If the Warrants are to be issued into and cleared through the Swedish CSD ("**Swedish Warrants**"), such Swedish Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons, and will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998: 1479) om kontoföring av finansiella instrument*) and the Swedish CSD Rules.

If the Warrants are to be issued into and cleared through Euroclear Finland ("**Finnish Warrants**"), such Finnish Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons, and will be issued in dematerialised and uncertificated book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta (749/2012)*), the Finnish Act on Book-Entry Accounts (in Finnish: *laki arvo-osuustileistä (827/1991)*) and the Euroclear Finland Rules.

CREST Warrants

If the Warrants are to be issued into and cleared through accounts at Euroclear UK & Ireland Limited (formerly CrestCo Limited) ("**Euroclear UK**") (the "**CREST Warrants**"), such CREST Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons, and will be issued in uncertificated form in accordance with the United Kingdom Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Uncertificated Securities Regulations**"). The CREST Warrants are participating securities for the purposes of the Uncertificated Securities Regulations.

Form of the Certificates***Registered Certificates***

If the applicable Final Terms indicate that the Certificates are to be issued in registered form ("**Registered Certificates**"), such Registered Certificates will be issued in global registered form ("**Global Registered Certificates**"), as specified in the applicable Final Terms. Each Global Registered Certificate will be deposited on or around the relevant Issue Date with, and registered in the name of the nominee for, the Common Depositary.

Each Global Registered Certificate will be exchangeable in whole, but not in part, for individual certificates ("**individual certificates**"), representing Certificates in definitive form ("**Definitive Registered Certificates**"), if the relevant Issuer has been notified that Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system approved by the Holders of the Certificates is available.

Whenever the Global Registered Certificate is to be exchanged for individual certificates, the relevant Issuer shall procure that individual certificates will be issued in number or nominal amount equal to the number or nominal amount of the Global Registered Certificates then outstanding within five Business Days of the delivery, by or on behalf of the registered holder of the Global Registered Certificate to the Principal Certificate Agent of such information as is required to complete and deliver such individual certificates (including, without limitation, the names and addresses of the persons in whose names the individual certificates are to be registered and the number or nominal amount of each such person's holding) against the surrender of the Global Registered Certificate at the specified office of the Principal Certificate Agent.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Certificates scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Principal Certificate Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) individual certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth calendar day after they are due to be issued and delivered in accordance with the terms of the Global Registered Certificate; or
- (b) the date for final settlement of the Certificates has occurred and payment in full of all amounts due has not been made to the Holder of the Global Registered Certificate on the due date for payment in accordance with the terms of the Global Registered Certificate,

then the Global Registered Certificate (including the obligation to deliver individual certificates) will become void at 5.00 p.m. (London time) on such thirtieth calendar day (in the case of (a) immediately above) or at 5.00 p.m. (London time) on such due date (in the case of (b) immediately above) and the Holder of the Global Registered Certificate will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Certificate or others may have under the W&C Instruments Deed of Covenant). Under the W&C Instruments Deed of Covenant, each Holder is entitled to exercise or enforce in respect of each Certificate held by him, the rights and obligations attaching to the relevant Certificate as set out in, and subject to, the W&C Instruments Deed of Covenant, the W&C Instruments Conditions and the applicable Final Terms issued in respect of such Certificates.

CBF Certificates

If the Certificates are to be issued into and transferred through accounts at Clearstream, Frankfurt ("**CBF Certificates**"), such CBF Certificates will on issue be constituted by a permanent global certificate in bearer form, provided, however, that the CBF Certificates will be treated as in registered form for United States federal income tax purposes. The relevant permanent global certificate will be delivered on or prior to the Issue Date of the relevant Series of CBF Certificates to Clearstream, Frankfurt.

Swedish Certificates and Finnish Certificates

If the Certificates are to be issued into and cleared through the Swedish CSD ("**Swedish Certificates**"), such Swedish Certificates will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*) and the Swedish CSD Rules.

If the Certificates are to be issued into and cleared through Euroclear Finland ("**Finnish Certificates**"), such Finnish Certificates will be issued in dematerialised and uncertificated book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta (749/2012)*), the Finnish Act on Book-Entry Accounts (in Finnish: *laki arvo-osuustileistä (827/1991)*) and the Euroclear Finland Rules.

CREST Certificates

If the Certificates are to be issued into and cleared through accounts at Euroclear UK (the "**CREST Certificates**" and, together with the CREST Warrants, the "**CREST W&C Instruments**"), such CREST Certificates will be issued in uncertificated form in accordance with the Uncertificated Securities Regulations. The CREST Certificates are participating securities for the purposes of the Uncertificated Securities Regulations.

3. Aggregate Nominal Amount:
- (a) [Series:] [●]
- (b) [Tranche:] [●]
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
5. (a) Specified Denominations: [●]
- (Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom, or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 and which have a maturity of less than one year must have a redemption value of £100,000 (or its equivalent in other Specified Currencies))*
- [(The minimum denomination for an issue of Notes (i) admitted to trading on a European Economic Area exchange and (ii) offered in the European Economic Area in circumstances where a prospectus is required under the Prospectus Directive is EUR 1,000 (or equivalent in another currency. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the EUR 1,000 minimum denomination (or equivalent in another currency) is not required.)]*
- (b) Calculation Amount: [●]
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. Trade Date: [●] [Following Business Day Adjustment]
7. Strike Date: [●] [The date set out under the heading "Strike Date" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below in the row corresponding to [an Asset/an Index/a Share/an ETF/a Fund]] [Not Applicable] [if not applicable, then may delete the following sub-paragraphs]
- (a) Strike Date is Adjusted as an Observation Date: [Applicable] [Not Applicable]
- (b) Strike Date is Adjusted as a [Applicable] [Not Applicable]

- Valuation Date:
8. (a) Issue Date: [●]
- (b) Interest Commencement Date: [●] [Not Applicable]
9. Maturity Date: [●] [*Fixed Rate Note – specify date; Floating Rate Note – Interest Payment Date falling in or nearest to [specify month] (the "Scheduled Maturity Date")*].
- [Scheduled Maturity Date is Business Day Adjusted] [*if Scheduled Maturity Date is not specified to be Business Day Adjusted, then may delete the following sub-paragraph*]
- Maturity Business Day Convention: [Following Business Day Convention] [Modified Following Business Day Convention] [Nearest] [Preceding Business Day Convention]
10. Interest Basis: [[●] per cent. Fixed Rate]
 [[LIBOR] [EURIBOR] [HIBOR] [JIBAR]
 [STIBOR] [SIBOR] [TIBOR] [Dollar LIBOR]
 +/- [●] per cent. Floating Rate]
 [Index Linked]
 [Share Linked]
 [GDR/ADR Linked]
 [Non-Interest bearing]
 [(further particulars specified below)]
11. (a) Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount] [*If the Final Redemption Amount is less than 100 per cent. of the nominal value, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to Commission Regulation (EC) No. 809/2004 (the "Prospectus Regulation") will apply.*]
- [Index Linked]
 [Share Linked]
 [GDR/ADR Linked]
 [Fund Linked]
 [Hybrid Basket Linked]
 [(further particulars specified below)]
- (b) Redemption method: [Cash Settled Notes] [Cash Settled Notes and/or Physical Delivery Notes]
12. Change of Interest Basis: [Applicable] [Not Applicable] [*if not applicable, then may delete the following sub-paragraphs*]
- (a) Interest Basis A: [[●] per cent. Fixed Rate]
 [(further particulars specified below)]
- (b) Interest Basis A Commencement Date(s): [Issue Date] [Interest Commencement Date]
 [Issue Date and Interest Commencement Date]
 [*specify other*]

- (c) Interest Basis B: [Index Linked]
[Share Linked]
[GDR/ADR Linked]
[(further particulars specified below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Notes: [Applicable] [Not Applicable]
- (a) Rate(s) of Interest: [[●] per cent. per annum [payable [annually]
[semi-annually] [quarterly] [bi-monthly]
[monthly] in arrear]
- (b) Scheduled Fixed Interest Payment Date(s): [[●] in each calendar [year] [month] from and including [●] up to and including the Scheduled Maturity Date] [*specify other*]
- (c) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [No Adjustment]
- (d) Additional Business Centre(s): [●] [Not Applicable]
[London Default Business Day: Not Applicable]
- (e) Fixed Coupon Amount(s): [[●] per Calculation Amount] [Not Applicable]
- (f) Broken Amount(s): [[●] per Calculation Amount payable on the Fixed Interest Payment Date falling on [●]] [Not Applicable]

(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s))
- (g) Day Count Fraction: [Actual/Actual (ICMA)]
[Actual/Actual (ISDA)] [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360 (ICMA)]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]

(N.B. Actual/Actual (ICMA) is normally only appropriate for Fixed Rate Notes denominated in euros)
- (h) Determination Date(s): [[●] in each year] [Not Applicable]

(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
14. Floating Rate Notes: [Applicable] [Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: [●] [[●] in each calendar [year] [month] from and including [●] up to and including the Scheduled Maturity Date]
- Interest Period: [Unadjusted] [Adjusted]

(If the Interest Period(s) are Adjusted, specify the relevant Business Day Convention at paragraph 14(b) below. If Interest Period(s) are Unadjusted, no Business Day Convention should be specified)

- (b) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [No Adjustment]
- (c) Additional Business Centre(s): [●] [Not Applicable]
[London Default Business Day: Not Applicable]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination] [ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [●] [Not Applicable]
- (f) Screen Rate Determination: [Applicable] [Not Applicable]
- Reference Rate: [●] month [LIBOR] [HIBOR] [JIBAR] [EURIBOR] [STIBOR] [SIBOR] [TIBOR] [Dollar LIBOR]
- Interest Determination Date(s): [●]
(Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR. Specify other.)
- 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)
- Specified Time: [●]
- Relevant Financial Centre: [London] [Brussels] [Stockholm] [Hong Kong] [Singapore] [Tokyo]
- (g) ISDA Determination: [Applicable] [Not Applicable]
- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]
- (h) Margin(s): [[+/-] [●] per cent. per annum] [Not Applicable]

- (i) Minimum Rate of Interest: [[●] per cent. per annum] [Not Applicable]
- (j) Maximum Rate of Interest: [[●] per cent. per annum] [Not Applicable]
- (k) Day Count Fraction: [Actual/Actual (ICMA)]
[Actual/Actual (ISDA)] [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360 (ICMA)]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]
15. Underlying Asset Linked Interest [Applicable] [Not Applicable]
Notes:
- (a) Underlying Asset(s): [As specified in paragraph[s] [22] [23] below]
- (b) Provisions for determining Rate of Interest or Interest Amount where calculated by reference to an Index and/or a Share and/or a GDR/ADR and/or a Fund Share and/or a Fund Interest::
- (i) Interest 1: [Applicable] [Not Applicable]
- (ii) Interest 2: [Applicable] [Not Applicable]
- (iii) Interest 3: [Applicable] [Not Applicable]
- (iv) Interest 4: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- Single Asset: [Applicable] [Not Applicable]
- Asset Basket: [Applicable] [Not Applicable]
- CF: [●]
- Coupon Cap: [●] [Not Applicable]
- Coupon Participation: [●]
- CS: [●]
- Initial Value: [Initial Closing Value] [Initial Average Value]
[Initial Strike Value]
- (v) Specified Rate of Interest A: [●] per cent. per annum
- (vi) Specified Interest Amount A: [●] [Not Applicable]
- (vii) Specified Rate of Interest B: [●] per cent. per annum
- (viii) Specified Interest Amount B: [●] [Not Applicable]

- (ix) Interest Valuation Date: [[Each] Observation Date [and] [each/the] Valuation Date] [insert other date(s) if applicable]] [Each date set out under the heading "Interest Valuation Date] in the Product Specific Information Table below] [[Tenth] [●] [Common] Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date]
- First Scheduled Interest Valuation Date: [●] (*N.B. To be deleted if not required to be specified*)
- (c) Provisions for determining Rate of Interest or Interest Amount where calculation by reference to an Index and/or a Share and/or a GDR/ADR and/or a Fund Share and/or a Fund Interest is impossible or impracticable or otherwise disrupted: [As specified in paragraph[s] [22] [23] [24]]
- (d) Underlying Asset Linked Interest Commencement Date: [●] [Not Applicable]
- (e) Scheduled Interest Payment Dates: [[●] in each calendar [year] [month] from and including [●] up to and including the Scheduled Maturity Date] [Scheduled Interest Payment Dates are set out in the Product Specific Information Table below]
- (f) Business Day Convention: [Floating Rate Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [No Adjustment]
- (g) Additional Business Centre(s): [●] [Not Applicable]
[London Default Business Day: Not Applicable]
- (h) Minimum Rate of Interest: [[●] per cent. per annum] [Not Applicable]
- (i) Maximum Rate of Interest: [[●] per cent. per annum] [Not Applicable]
- (j) Day Count Fraction: [Actual/Actual (ICMA)]
[Actual/Actual (ISDA)] [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360 (ICMA)]
[30/360] [360/360] [Bond Basis]
[30E/360] [Eurobond Basis]
[30E/360 (ISDA)]

[Not Applicable]

PROVISIONS RELATING TO REDEMPTION**[PRODUCT SPECIFIC INFORMATION TABLE] (N.B. May be deleted if not required)**

The terms ["Scheduled Interest Payment Date"], ["Coupon Divisor"] ["Scheduled Automatic Early Redemption Reference Date"] ["Automatic Early Redemption Knock-Out Price"] (insert additional columns as applicable) applicable to [a] [the] Note[s] shall have the corresponding meanings set forth in the table below ("Product Specific Information Table").

[Coupon Divisor] (insert if Interest Amount ⁴ is applicable)	[Scheduled Interest Payment Date] ²	[Scheduled Automatic Early Redemption Reference Date] ³ (insert exact dates on which the Automatic Early Redemption Reference Dates are scheduled to fall on) [Interest Valuation Date]	[Automatic Early Redemption Knock-Out Price] ⁴		
			[Share Company]	[Share Company]	[Share Company]
[One] [●]	[●]	[date] [month] [year]	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)
[Two] [●]	[●]	[date] [month] [year]	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)	[●] ([●] per cent. of Initial Price)

16. Automatic Early Redemption: [Applicable] [Not Applicable]
- (a) Automatic Early Redemption Event: [Automatic Early Redemption Event 1]
[Automatic Early Redemption Event 2]
[Automatic Early Redemption Event 3]
- (b) Automatic Early Redemption Amount: [[●] per Calculation Amount] [[●] per cent. of Calculation Amount]
- (c) Automatic Early Redemption Date: [Each Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the Maturity Date] [Each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date] [Each Fixed Interest Payment Date and each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date [and the Excluded Interest Payment Date]] [[●] Business Days following each Automatic Early Redemption Reference Date]
- (d) Automatic Early Redemption Reference Date: [[Tenth] [●] [Common] Scheduled Trading Day prior to each Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the Maturity Date] (N.B. Insert if Fixed Rate only)
[[Tenth] [●] [Common] Scheduled Trading Day

² To be included only for Underlying Asset Linked Interest Notes.

³ To be included only if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date.

⁴ To be included only if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date.

prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date] *(N.B. Insert if Share Linked only or Index Linked only)*

[[Tenth] [●] [Common] Scheduled Trading Day prior to each Fixed Interest Payment Date [other than the Excluded Interest Payment Date] and [tenth] [●] [Common] Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date] *(N.B. Insert if Change of Interest Basis is applicable)*

[Each date specified in the column entitled "Scheduled Automatic Early Redemption Reference Date" in the Product Specific Information Table above] *(N.B. Insert if Automatic Early Redemption Knock-Out Price is different for each Automatic Early Redemption Reference Date)*

[●] *(N.B. Insert if Product Specific Information Table is not used to list specific Scheduled Automatic Early Redemption Reference Date(s))*

- First Scheduled Automatic Early Redemption Reference Date: [●] *(N.B. To be deleted if not required to be specified)*

(e) Automatic Early Redemption Trigger: [●] [The amount set out in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below in the row corresponding to the [Share/Index]] [Not Applicable] *(N.B. Only applicable for Automatic Early Redemption Event 1 and Automatic Early Redemption Event 3)*

(f) Automatic Early Redemption Knock-Out Price: [●] [The amount set out in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below in the row corresponding to a Share] [The amount set out in the Product Specific Information Table under "Provisions Relating To Redemption" above in the row corresponding to the relevant Scheduled Automatic Early Redemption Reference Date] [Not Applicable] *(N.B. Only applicable for Automatic Early Redemption Event 2)*

[(g) Excluded Interest Payment Date: [●] *(N.B. To be deleted if not required to be specified)*]

17. Final Redemption Amount of each Note: [[●] per Calculation Amount]

(N.B. In cases where the Final Redemption

Amount is Index Linked, Share Linked, GDR/ADR Linked or Fund Linked, insert the following sub-paragraphs)

- (a) Underlying Asset(s): [As specified in paragraph[s] [22] [and] [23] [and] [25] below]
- (b) Provisions for determining Final Redemption Amount where calculation by reference to an Index and/or a Share and/or a GDR/ADR and/or a Fund is impossible or impracticable or otherwise disrupted: [See paragraph[s] [22] [and] [23] [and] [24] [and] [25] below]
18. Provisions for determining Final Redemption Amount where calculated by reference to an Index and/or a Share and/or a GDR/ADR and/or a Fund:
- (a) FRA 1: [Applicable] [Not Applicable]
- (i) Barrier Event: Applicable - for the purposes of determining a "Barrier Event" in Note Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
- (A) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- Observation Period Start Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- Observation Period End Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- (B) Barrier Reference Value: [[Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in Note Product Condition 2, Market Disruption Event is [not] taken into account]]
- (C) Barrier Event Determination Day: [Barrier Period] [Barrier Date(s)] applicable
- Specified Barrier Event Determination Day (closing): [●] [Not Applicable]
- Specified Barrier Event Determination Day (intraday): [●] [Not Applicable]
- Specified Barrier Event Determination Day: [Valuation Date] [●] [Not Applicable]

- (D) Barrier Level: [●] [per cent.] [[equal to] [●] per cent. of the Initial Level] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
- (ii) Final Index Valuation Date: [[Tenth] [●] Scheduled Trading Days prior to the Maturity Date]
- (b) FRA 2: [Applicable] [Not Applicable]
- (i) Barrier Event: Applicable - for the purposes of determining a "Barrier Event" in Note Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
- (A) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- Observation Period Start Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- Observation Period End Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- (B) Barrier Reference Value: [[Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in Note Product Condition 2, Market Disruption Event is [not] taken into account]]
- (C) Barrier Event Determination Day: [Barrier Period] [Barrier Date(s)] applicable
- Specified Barrier Event Determination Day (closing): [●] [Not Applicable]
- Specified Barrier Event Determination Day (intraday): [●] [Not Applicable]
- Specified Barrier Event Determination Day: [Valuation Date] [●] [Not Applicable]
- (D) Barrier Level: [●] [per cent.] [[equal to] [●] per cent. of the Initial Level] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
- (ii) Final Index Valuation Date: [[Tenth] [●] Scheduled Trading Days prior to the Maturity Date]
- (iii) Minimum FRA: [●] [zero] per cent.

- (iv) Maximum FRA: [●] [per cent.]
- (c) FRA 3: [Applicable] [Not Applicable]
- (i) Barrier Event: Applicable - for the purposes of determining a "Barrier Event" in Note Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
- (A) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- Observation Period Start Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- Observation Period End Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- (B) Barrier Reference Value: [[Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in Note Product Condition 2, Market Disruption Event is [not] taken into account]]
- (C) Barrier Event Determination Day: [Barrier Period] [Barrier Date(s)] applicable
- Specified Barrier Event Determination Day (closing): [●] [Not Applicable]
- Specified Barrier Event Determination Day (intraday): [●] [Not Applicable]
- Specified Barrier Event Determination Day: [Valuation Date] [●] [Not Applicable]
- (D) Barrier Level: [●] [per cent.] [[equal to] [●] per cent. of the Initial Price] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
- (ii) Fixed Share Amount: FX Conversion is [not] applicable
- (iii) Specified Residual Share Amount: [●] [Not Applicable]
- (iv) Final Share Basket Valuation Date: [[Tenth] [●] Common Scheduled Trading Days prior to the Maturity Date]
- (d) FRA 4: [Applicable] [Not Applicable]
- (i) Barrier Event: Applicable - for the purposes of determining a "Barrier Event" in Note Product Condition 2, "Barrier Reference Value [less than or equal to]

- [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
- (A) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- Observation Period Start Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- Observation Period End Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- (B) Barrier Reference Value: [[Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in Note Product Condition 2, Market Disruption Event is [not] taken into account]]
- (C) Barrier Event Determination Day: [Barrier Period] [Barrier Date(s)] applicable
- Specified Barrier Event Determination Day (closing): [●] [Not Applicable]
- Specified Barrier Event Determination Day (intraday): [●] [Not Applicable]
- Specified Barrier Event Determination Day: [Valuation Date] [●] [Not Applicable]
- (D) Barrier Level: [●] [per cent.] [[equal to] [●] per cent. of the Initial Price] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
- (ii) Specified Entitlement Amount: [●] [Not Applicable]
- (iii) Specified Residual Share Amount: [●] [Not Applicable]
- (iv) Final Share Valuation Date: [[Tenth] [●] Scheduled Trading Days prior to the Maturity Date]
- (e) FRA 5: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- Single Asset: [Applicable] [Not Applicable]
- Worst of Basket: [Applicable] [Not Applicable]
- Basket: [Applicable] [Not Applicable]
- (i) Minimum Redemption [●] [per cent.]

- Amount (Min RA):
- (ii) Participation 1 (P1): [●] [expected to be [●] per cent.] [but] [shall not be [more than [●] per cent.] [and] [less than [●] per cent.]
 - (iii) Participation 2 (P2): [●] [expected to be [●] per cent.] [but] [shall not be [more than [●] per cent.] [and] [less than [●] per cent.]
 - (iv) Cap: [●] [Not Applicable]
 - (v) Final Value: [Final Closing Value] [Final Average Value]
 - (vi) Initial Value: [Initial Closing Value] [Initial Average Value] [Initial Strike Value]
 - (vii) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)
 - (viii) Final Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
 - (ix) Initial Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
19. Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on an event of default or on an illegality or following a Currency Substitution Event (or otherwise in accordance with the terms and conditions of the Notes): [[●] per Calculation Amount] [Market Value less Associated Costs]
- (N.B. In the case of Index Linked, Share Linked, GDR/ADR Linked and Fund Linked, consider deducting the cost to the Issuer and/or its affiliates of unwinding or adjusting any underlying or related funding and/or hedging arrangements in respect of the Notes)*

PROVISIONS RELATING TO TYPE OF NOTES

20. Type of Underlying Asset(s):
- (a) Asset: [Each/The] [Index] [and] [each/the] [Share] [and] [Each/the] [Fund Interest] [and] [each/the] [Fund Share] (as defined in paragraph[s] [22] [and] [23] [and] [25] below)
 - (b) Asset Basket: Basket of [Indices] [Shares] [Funds] [Fund Shares] [Hybrid Assets] [Not Applicable]
21. Hybrid Basket Linked Conditions: [Applicable] [Not Applicable] [*if not applicable, then may delete the following sub-paragraph*]
- (a) Basket of Hybrid Assets: A basket comprising the [index] [indices] [and] [, share[s]] [and] [fund[s]] (as specified in paragraph[s] [22] [and] [23] [and] [25] below)
 - (b) Averaging: [Applicable] [Not Applicable] [*if not applicable, then may delete the following sub-paragraphs*]
 - (i) Averaging Dates: [*insert date(s)*] [Each [Initial Averaging Date] [and] [Final Averaging Date]]
- [Common] [Individual] Disrupted Days

applicable] (*N.B. Either Common or Individual Disrupted Days must be specified*)

- (ii) Omission: [Applicable] [Not Applicable]
- (iii) Postponement: [Applicable] [Not Applicable]
- (iv) Modified Postponement: [Applicable] [Not Applicable]
- (c) Observation Date(s): [insert date(s)] [Not Applicable]
- [Common] [Individual] Disrupted Days applicable] (*N.B. Either Common or Individual Disrupted Days must be specified*)
- (d) Valuation Date(s): [insert date(s)] [Not Applicable]
- [Common] [Individual] Disrupted Days applicable] (*N.B. Either Common or Individual Disrupted Days must be specified*)
- (e) Asset Performance: [Applicable] [Not Applicable]
22. Index Linked Conditions: [Applicable] [Not Applicable]
- (a) Index/Basket of Indices: [The index] [Each of the indices] set out under the heading "**Index**" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below ([the "**Index**"] [each, an "**Index**" and together the "**Indices**" or "**Basket of Indices**")]

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms "**Index**", "**Bloomberg Code**", "**Index Sponsor**", "**Type of Index**", "**Exchange**", "**Related Exchange**", "**Index Currency**" [, "**Initial Value/Initial Level**" [, "**Barrier Level**" [, "**Automatic Early Redemption Trigger**" [, "**Coupon Strike**" ["**Strike Date**"] [and] ["**Weight_(i)**"] (*insert additional columns as applicable*) applicable to [an] [the] Index shall have the corresponding meanings set forth against such Index in the table below.

Index	Bloomberg Code	Index Sponsor	Type of Index	Exchange	Related Exchange	Index Currency	Initial Value /Initial Level	Barrier Level	Automatic Early Redemption Trigger	[Coupon Strike] ⁵	[Strike Date] / [Weight _(i)]
[●]	[●]	[●]	[●]	[●]	[●] [All Exchanges] [Not Applicable]	[●]	[●]	[●] [(●) per cent. of Initial Value/Initial Level]	[●] [(●) per cent. of Initial Level]	[●] [(●) per cent. of Initial Level]	[●]
[●]	[●]	[●]	[●]	[●]	[●] [All Exchanges] [Not Applicable]	[●]	[●]	[●] [(●) per cent. of Initial Value/Initial Level]	[●] [(●) per cent. of Initial Level]	[●] [(●) per cent. of Initial Level]	[●]

- (b) Index Performance: [As specified in the Index Linked Conditions] [Not Applicable]
- (c) Initial Index Level: [Applicable] [, as set out under the heading "[Initial Value/Initial Level]" in the Underlying

⁵ Only applicable if Underlying Asset Linked Interest Notes is applicable.

- Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (d) Initial Index Strike Level: [Applicable] [, as set out under the heading "[Initial Value/Initial Level]" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (e) Initial Index Closing Level: [Applicable] [, as set out under the heading "[Initial Value/Initial Level]" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (f) Averaging: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Averaging Dates: *[insert date(s)]* [Each [Initial Averaging Date] [and] [Final Averaging Date]]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.)* [Not Applicable]
- (N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)*
- (ii) Omission: [Applicable] [Not Applicable]
- (iii) Postponement: [Applicable] [Not Applicable]
- (iv) Modified Postponement: [Applicable] [Not Applicable]
- (g) Valuation Date(s): [●] [Final Index Valuation Date] [and] [Each/The Interest Valuation Date] [Not Applicable]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.)* [Not Applicable]
- (N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)*
- (h) Valuation Time: [As specified in the Index Linked Conditions] *[specify other]* [Not Applicable]
- (i) Observation Date(s): [●] [Each Automatic Early Redemption Reference Date] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.)* [Not Applicable]

(N.B. May only be applicable in relation to Index Linked Notes relating to a Basket)

- (j) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the Notes:
- [Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]]
23. Share Linked Conditions: [Applicable] [Not Applicable]
- (a) Share(s)/Basket of Shares: [The] [Each of the] [ordinary shares] [depository receipts] of the relevant Share Company set out under the heading "**Share Company**" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below (each a "**Share**" and together, the "**Shares**" [or the "**Basket of Shares**"])

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms "Share Company", "ISIN of Share", "Bloomberg Code", "Exchange", "Related Exchange", "Local Jurisdiction" [, "Initial Value/Initial Price"] [, "Barrier Level"] [, "Strike Price"] [, "Coupon Strike"] [, "Automatic Early Redemption Trigger"] [, "Automatic Early Redemption Knock-Out Price"] ["Strike Date"] [and] ["Weight_(i)"] (insert additional columns as appropriate) applicable to [a] [the] Share shall have the corresponding meanings set forth against the [relevant] Share Company in the table below.

Share Company	ISIN of Share	Bloomberg Code	Exchange	Related Exchange	Local Jurisdiction	[Initial Value/Initial Price]	[Barrier Level]	[Strike Price] ⁶	[Coupon Strike] ⁷	[Automatic Early Redemption Trigger] ⁸	[Automatic Early Redemption Knock-Out Price] ⁹	[Strike Date] / ["Weight _(i) "]
[●]	[●]	[●]	[●]	[●] [All Exchanges] [Not Applicable]	[●]	[●]	[●] [(●) per cent. of Initial Value /Initial Price]]	[●] [(●) per cent. of Initial Value /Initial Price]]	[●] [(●) per cent. of Initial Price]]	[●] [(●) per cent. of Initial Price]	[●] [(●) per cent. of Initial Price]]	[●]
[●]	[●]	[●]	[●]	[●] [All Exchanges] [Not Applicable]	[●]	[●]	[●] [(●) per cent. of Initial Value /Initial Price]]	[●] [(●) per cent. of Initial Value /Initial Price]]	[●] [(●) per cent. of Initial Price]]	[●] [(●) per cent. of Initial Price]	[●] [(●) per cent. of Initial Price]]	[●]

- (b) Share Performance: [Applicable] [Not Applicable]
- [Share Performance is rounded to four decimal places]
- (c) Initial Share Price: [Applicable][, as set out under the heading "[Initial Value/Initial Price]" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]

⁶ Only applicable if FRA 4 is applicable for determining the Final Redemption Amount.

⁷ Only applicable if Underlying Asset Linked Interest Notes is applicable.

⁸ May only be applicable where "Automatic Early Redemption" is applicable.

⁹ May only be applicable where "Automatic Early Redemption" is applicable.

- (d) Initial Share Strike Price: [Applicable][, as set out under the heading "[Initial Value/Initial Price]" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (e) Initial Share Closing Price: [Applicable][, as set out under the heading "[Initial Value/Initial Price]" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (f) Averaging: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
- (i) Averaging Dates: *[insert date(s)]* [Each [Initial Averaging Date] [and] [Final Averaging Date]]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.)* [Not Applicable]
- (N.B. May only be applicable in relation to Share Linked Notes relating to a Basket)*
- (ii) Omission: [Applicable] [Not Applicable]
- (iii) Postponement: [Applicable] [Not Applicable]
- (iv) Modified Postponement: [Applicable] [Not Applicable]
- (g) Valuation Date(s): [●] [Final Share Valuation Date] [Final Share Basket Valuation Date] [Each/The Interest Valuation Date]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.)* [Not Applicable]
- (N.B. May only be applicable in relation to Share Linked Notes relating to a Basket)*
- (h) Valuation Cut-Off Date Amendment: [Applicable] [Not Applicable]
- [●] [Common Scheduled Trading Days]
- (i) Valuation Time: [As specified in the Share Linked Conditions]
- (j) Observation Date(s): [●] [Each Automatic Early Redemption Reference Date] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.)* [Not Applicable]

- (N.B. May only be applicable in relation to Share Linked Notes relating to a Basket)
- (k) Tender Offer: [Applicable] [Not Applicable] [No adjustments solely for volatility, expected dividends, stock loan rate or liquidity]
- (l) Announcement Event: [Applicable] [Not Applicable]
- (m) Share Substitution: [Applicable. Share Substitution Criteria are as specified in the Share Linked Conditions] [Not Applicable]
- [if not applicable, then may delete the following sub-paragraph]
- [- Affected Share Strike Date:] [As specified in the Share Linked Conditions] [specify other date]
- (n) Local Tax Adjustment: [Not Applicable]
- [Applicable. Local Jurisdiction is set out in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above. [Where Local Jurisdiction is specified to be "United States" then this shall mean the United States' federal and/or state and/or local taxes and/or any political subdivision thereof]]
- (o) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the Notes:
- [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Initial Stock Loan Rate: [●]]
- [Insolvency Filing]
- [Loss of Stock Borrow]
- [Maximum Stock Loan Rate: [●]]]
- (p) Trading Disruption Amendment: [Applicable] [Not Applicable] (N.B. Insert "Not Applicable" if FRA 3 is not applicable)
- (q) [Adjustments for Merger Event, De-listing, Nationalisation or Insolvency:] [No adjustments solely for volatility, expected dividends, stock loan rate or liquidity] (N.B. Delete if FRA 3 is not applicable)
24. GDR/ADR Linked Conditions: [Applicable] [Not Applicable]
- (For GDR/ADR Linked Notes complete sections for Share Linked Notes (paragraph 23 above) (completed and amended as appropriate) and this section)
- (a) Partial Lookthrough: [Applicable] [Not Applicable]
- (b) Full Lookthrough: [Applicable] [Not Applicable]
25. Fund Linked Conditions: [Applicable] [Not Applicable]
- (a) Fund/Basket of Funds: [[The/Each] fund set out under the heading "Fund" in the Underlying Asset(s) Information Table

under "Specific Information relating to the Underlying Asset(s)" below ([the "**Fund**"] [each, a "**Fund**" and together the "**Funds**" or "**Basket of Funds**"]).]

[[The/Each] exchange traded fund set out under the heading "**ETF**" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below ([the "**ETF**" [each, an "**ETF**" and together the "**ETFs**"]).]

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms ["**Fund**"], ["**ETF**"], ["**ISIN of Fund**"], ["**ISIN of Fund Share**"], "**Bloomberg Code**" [, "**Fund Interest**"] [, "**Exchange**", "**Related Exchange**"] [, "**Weight_(i)**"] [, "**Initial Value**"] [, "**Strike Date**"] [and] ["**Underlying Index**"] (*insert additional columns as appropriate*) applicable to [a/an/the] [Fund/ETF] shall have the corresponding meanings set forth against such [Fund/ETF] in the table below.

[Fund][ETF]	ISIN of Fund [Share]	Bloomberg Code	[Fund Interest] ¹⁰	[Exchange] ¹¹	[Related Exchange] ¹²	[Initial Value]	[Barrier Level]	[Underlying Index] ¹³	[Strike Date]
[•]	[•]	[•]	[•]	[•]	[•][All Exchanges] [Not Applicable]	[•]	[•] [(•) per cent. of Initial Value]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•][All Exchanges] [Not Applicable]	[•]	[•] [(•) per cent. of Initial Value]	[•]	[•]

- (b) Fund Performance: [As specified in the Fund Linked Conditions] [Not Applicable]
- (c) Initial Fund Share Price: [Applicable][, as set out under the heading "Initial Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- (d) Initial Fund Share Strike Price: [Applicable][, as set out under the heading "Initial Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable] (*N.B. May only be applicable in relation to Exchange Traded Funds (ETFs)*)
- (e) Initial Fund Share Closing Price: [Applicable][, as set out under the heading "Initial Value" in the Underlying Asset(s) Information

¹⁰ May only be applicable in relation to Funds other than Exchange Traded Funds (ETFs).

¹¹ May only be applicable in relation to Exchange Traded Funds (ETFs).

¹² May only be applicable in relation to Exchange Traded Funds (ETFs).

¹³ May only be applicable in relation to Exchange Traded Funds (ETFs).

		Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable] <i>(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))</i>
(f)	Initial Relevant Price:	[Applicable][, as set out under the heading "Initial Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable] <i>(N.B. May only be applicable in relation to Funds other than Exchange Traded Funds (ETFs))</i>
(g)	Averaging:	[Applicable] [Not Applicable] <i>[if not applicable, then may delete the following sub-paragraphs]</i>
(i)	Averaging Cut-Off Date:	[As specified in the Fund Linked Conditions] <i>[specify other]</i> [Not Applicable]
(ii)	Averaging Dates:	<i>[insert date(s)]</i> [Each [Initial Averaging Date] [and] [Final Averaging Date]]
	[- Common Scheduled Trading Days:]	[Applicable. [Common] [Individual] Disrupted Days will apply] <i>(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)</i> [Not Applicable] <i>(N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket)</i>
(ii)	Omission:	[Applicable] [Not Applicable] <i>(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))</i>
(iii)	Postponement:	[Applicable] [Not Applicable] <i>(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))</i>
(iv)	Modified Postponement:	[Applicable] [Not Applicable] <i>(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))</i>
(h)	Valuation Date(s):	[●] [ETF Valuation Date] [Not Applicable] <i>[if not applicable, then may delete the following sub-paragraph]</i>
	[- Common Scheduled Trading Days:]	[Applicable. [Common] [Individual] Disrupted Days will apply] <i>(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)</i> [Not Applicable] <i>(N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket)</i>
(i)	Valuation Time:	[As specified in the Fund Linked Conditions] <i>[specify other]</i> [Not Applicable] <i>(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))</i>
(j)	Valuation Cut-Off Date:	[As specified in the Fund Linked Conditions]

- [specify other] [Not Applicable]
- (k) Fund Specified Date: [Scheduled Fund Redemption Valuation Date]
[Common Scheduled Fund Redemption Valuation Date] [Fund Redemption Valuation Date]
[Common Fund Redemption Valuation Date]
[specify other] [Not Applicable]
- (N.B. May only be applicable in relation to Funds other than Exchange Traded Funds (ETFs))*
- (l) Barrier Fund Specified Date: [Scheduled Fund Redemption Valuation Date]
[Common Scheduled Fund Redemption Valuation Date] [Fund Redemption Valuation Date]
[Common Fund Redemption Valuation Date]
[specify other] [Not Applicable]
- (N.B. May only be applicable in relation to Funds other than Exchange Traded Funds (ETFs))*
- (m) Specified Barrier Event Determination Day (Closing): [insert date(s)] [Not Applicable]
- (N.B. May only be applicable in relation to Funds other than Exchange Traded Funds (ETFs))*
- (n) Observation Date(s): [●] [Not Applicable] [if not applicable, then may delete the following sub-paragraph]
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)* [Not Applicable]
- (N.B. May only be applicable in relation to Fund Linked Notes relating to a Basket)*
- (o) Observation Cut-Off Date: [As specified in Fund Linked Conditions] [specify other] [Not Applicable]
- (p) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the Notes:
- [Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]]
- (q) Merger Date (*Fund Linked Condition 10*): [As specified in the "Merger Event" definition in Fund Linked Condition 10] [Merger Date is on or before [●]] [Not Applicable] *(N.B. May only be applicable in relation to Exchange Traded Funds (ETFs))*
26. Physical Delivery Notes: [Applicable] [Not Applicable]
- (N.B. Not applicable to Swedish Notes)*
- [Cash Settlement] [Physical Delivery] [Cash Settlement and/or Physical Delivery]
- [The provisions of "Annex 7 - Additional Terms and Conditions for Physical Delivery Notes" shall

- apply.]
- (a) Cut-Off Date: [As specified in the Physical Delivery Note Conditions] [[•] Business Days prior to the Maturity Delivery Date]
- (b) Guaranteed Cash Settlement Amount: As specified in Note Condition 3
- (c) Failure to Deliver due to Illiquidity: [Applicable] [Not Applicable]
- (d) Issuer's option to vary Settlement: [Applicable] [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: [Global Registered Note registered in the name of a nominee for [a common depositary for [Euroclear and Clearstream, Luxembourg]/a common safekeeper for [Euroclear and Clearstream, Luxembourg]] and exchangeable for Definitive Registered Notes in the limited circumstances described in the Global Registered Note]
- [Definitive Registered Notes]
- OR**
- [Swedish Notes.
- The Swedish Notes will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*).]
28. New Safekeeping Structure: [Yes] [No]
29. Payment Day: [Following] [Modified Following]
30. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable] [*give details*]
- (N.B. This item relates to the place of payment and not Interest Period end dates to which items 13(d), 14(c) and 15(g) relate)
- [- London:] [Not Applicable] [*Insert if London is excluded for the purposes of the "Payment Day" definition in Condition 5(D)*]
31. Redenomination: Redenomination [Applicable] [Not Applicable]
32. Payment Disruption (*Condition 5(G)*): [Applicable] [Not Applicable] [*if not applicable, delete the following sub-paragraphs*]
- (a) Payment Disruption Event: [Applicable] [Not Applicable]
- (b) CNY Payment Disruption Event: [Applicable] [Not Applicable] [*if not applicable, delete the following sub-paragraphs*]
- (i) CNY Settlement Centre: [The Hong Kong Special Administrative Region] [•]]

- (ii) Extension: [Applicable] [Not Applicable]
 - (iii) Payment Postponement: [Applicable] [Not Applicable]
 - (iv) Payment of Equivalent Amount: [Applicable] [Not Applicable]
 - (c) Base Currency: [As specified under paragraph 33] *(N.B. insert Base Currency if not specified in paragraph 33)*
 - (d) Subject Currency: [As specified under paragraph 33] *(N.B. insert Subject Currency if not specified in paragraph 33)*
 - (e) Specified Financial Centre(s): [●] [As specified under paragraph 33] *(N.B. insert Specified Financial Centre if not specified in paragraph 33)*
33. Exchange Rate Conditions: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- [The provisions of Part 5 (Exchange Rate Conditions) of "Annex 1 – Additional Product Terms and Conditions" shall apply.]
- (a) Currency Price: [Applicable] [Not Applicable]
 - (b) Base Currency: [●]
 - (c) Subject Currency: [●]
 - (d) Derived Exchange Rate: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (i) Reference Currency: [●]
 - (ii) RC/BC Price Source: [●]
 - (iii) RC/BC Valuation Time: [●]
 - (iv) RC/SC Price Source: [●]
 - (v) RC/SC Valuation Time: [●]
 - (e) Specified Rate: [Applicable: For the purposes of the definition of "Specified Rate" in Note Product Condition 5 (*Other Definitions*), an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]] [Not Applicable]
 - (f) FX Specified Price: The [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] [Not Applicable]
 - (g) FX Price Source(s): [●]
 - (h) Specified Financial Centre(s): [●] [Not Applicable]
 - (i) FX Valuation Time: [●]

- (j) Corrections to Published and Displayed Rates: [Applicable] [Not Applicable]
- (k) Successor Currency: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
- Successor Currency Reference Date: [Strike Date] [other] [Not Applicable]
- (l) Rebasing: [Applicable] [Not Applicable]

DISTRIBUTION

34. Method of distribution: [Syndicated] [Non-syndicated]
35. (a) 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) ***
- (b) Date of Subscription Agreement**: [●] [Not Applicable]**
36. If non-syndicated, name [and address]** of relevant Dealer: [Not Applicable] *[give name [and address]**]*
37. Calculation Agent: [Merrill Lynch International] *[specify other]*
38. Total commission and concession: [[●] per cent. of the Aggregate Nominal Amount**] [Not Applicable]
39. Non-exempt Offer:¹⁴ [Not Applicable] [Applicable: an offer of the Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)]* ("**Public Offer Jurisdiction[s]**") during the period from [(and including)] *[specify date]* to [(and including)] *[specify date]* ("**Offer Period**") by [the/each] [Dealer/Manager] [and the following financial intermediary(ies):] [.]]
- [Name and address of financial intermediary(ies):
- (specify names and addresses of other financial intermediary(ies) making Non-exempt Offer)]*
- (together, [with the [Dealer[s]/Manager[s]], the "**Initial Authorised Offerors**")
- See further Paragraph 9 of Part B below.

¹⁴ Include this wording where a Non-exempt Offer of Notes is anticipated (N.B. Not relevant for an issue of a Tranche of Notes with a denomination equal to or greater than €100,000 (or its equivalent in another currency).

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

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] [will be] [is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange/ London Stock Exchange plc/ Irish Stock Exchange/ Euronext Amsterdam by NYSE Euronext/ NASDAQ OMX Stockholm/ Nordic Derivatives Exchange Stockholm [with effect from [●]]. [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange/London Stock Exchange plc/Eurolist by Euronext Paris S.A./Euronext Amsterdam by NYSE Euronext/other with effect from [●].] [Not Applicable]

(N.B. Notes issued by MLBV with over 364 days between Issue Date and Maturity Date must be listed on a "recognised stock exchange".)

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

- (ii) Estimate of total expenses related to admission to trading:*/*** [●]

2. RATINGS***

Ratings: [The Notes have not been rated.]

(The above disclosure should be included in the event that the Notes have not been rated)

[The Notes to be issued have been rated:

[Standard & Poor's Financial Services LLC:[●]]
[Moody's Investors Service, Inc.: [●]]
[Other]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]**

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, as amended, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.] [[Insert credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended.] [[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended] [[Insert credit rating

agency] is not established in the European Union but *[insert endorsing credit rating agency]*, which is registered under Regulation (EC) No. 1060/2009, as amended, has indicated that it intends to endorse the ratings of *[insert credit rating agency]* where possible.]

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

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

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

(i) Reasons for offer: [●]

(See "Use of Proceeds" wording in Base Prospectus – 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 or priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding)*

(iii) Estimated total expenses: [●] *(Expenses are required to be broken down into each principal intended to "use" and presented in order of priority of such "uses")* [Not Applicable]

(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required)

5. **YIELD (Fixed Rate Notes only)*****

Indication of yield: The yield is [●]

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

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

Details of historic [EURIBOR] [LIBOR] [HIBOR] [JIBAR] [STIBOR] [SIBOR] [TIBOR] [Dollar LIBOR] rates can be obtained from [Reuters].

7. **PERFORMANCE OF THE UNDERLYING ASSET(S) AND OTHER INFORMATION CONCERNING THE UNDERLYING ASSET(S)¹⁵**

[Need to include details of where past and future performance and volatility of [the] [each] Underlying Asset can be obtained].

¹⁵ Include for derivative securities to which Annex XII of the Prospectus Regulation applies.

[Where the Underlying Asset is an index need to include details of where the information about [the] [each] index can be obtained.]

8. OPERATIONAL INFORMATION

- (i) ISIN: [●]
- (ii) Common Code: [●]
- (iii) Clearing System(s): [Euroclear Bank SA/NV] [and] [Clearstream Banking, *société anonyme*] [Euroclear Sweden, Klarabergsviadukten 63, Box 191, SE-101 23 Stockholm, Sweden/specify other duly authorised Swedish central securities depository under the Swedish CSD Rules]
- (iv) Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, *société anonyme*, and Euroclear Sweden or any duly authorised Swedish central securities depository under the Swedish CSD Rules referred to above, the relevant address(es) and the relevant identification number(s): [Not Applicable] [give name(s), address(es) and number(s)]
- (v) Delivery: Delivery [against] [free of] payment
- (v) Names and addresses of initial Paying Agents: [Bank of America, N.A. (operating through its London Branch)
2 King Edward Street
London EC1A 1HQ
United Kingdom]¹⁶

[Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Sweden]¹⁷
- (vi) Registrar: [Merrill Lynch Equity S.à.r.l.
Atrium Business Park
33 Rue du Puits Romain
Bertrange L-8070
Grand Duchy of Luxembourg]¹⁸
- (vii) Names and addresses of additional Paying Agent(s) (if any): [●]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee]

¹⁶ Include in the case of all Notes except Swedish Notes.

¹⁷ Include in the case of Swedish Notes.

¹⁸ Include in the case of Registered Notes.

of one of the ICSDs acting as common safekeeper (i.e. held under the New Safekeeping Structure), 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 European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

[No. However, if after the date of these Final Terms, the Eurosystem eligibility criteria are amended such that the Notes are capable of meeting such criteria, the Notes may then be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper (i.e. held under the New Safekeeping Structure). 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 European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

9. TERMS AND CONDITIONS OF THE OFFER**

Offer Price:	[Issue Price.] [<i>specify</i>] [The/Each] Authorised Offeror (as defined below) will offer and sell the Notes to their customers in accordance with arrangements in place between [the/such] Authorised Offeror and its customers by reference to the Issue Price and market conditions prevailing at the time.
Conditions to which the offer is subject:	[Offers of Notes are conditional on their issue and are subject to [<i>specify conditions</i>]. As between [the/each] Authorised Offeror and its customers, offers of the Notes are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.]
Description of the application process:	[An Investor (as defined in the Summary) will purchase the Notes in accordance with the arrangements in place between the relevant Authorised Offeror[s] and its customers relating to the purchase of securities generally. Investors will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the Notes.]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not Applicable] [<i>give details</i>]

Details of the minimum and/or maximum amount of application:	There are no pre-identified allotment criteria. The Authorised Offeror will adopt allotment and/or application criteria in accordance with customary market practices and applicable laws and regulations [and/or as otherwise agreed between them].
Details of the method and time limits for paying up and delivering the Notes:	[The Notes will be purchased by [the/each] Authorised Offeror from the Issuer on a delivery [against] [free of] payment basis on the Issue Date. Prospective Investors will be notified by the [relevant] Authorised Offeror[s] of their allocations of Notes and the settlement arrangements in respect thereof.]
Manner in and date on which results of the offer are to be made public:	[Not Applicable] <i>[give details]</i>
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable] <i>[give details]</i>
Whether Tranche(s) have been reserved for certain countries:	[Not Applicable] <i>[give details]</i>
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	[Prospective Investors will be notified by the relevant Authorised Offeror[s] in accordance with the arrangements in place between the relevant Authorised Offeror and its customers. Any dealings in the Notes that takes place will be at the risk of the prospective Investor.]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] <i>[give details]</i>
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[The Initial Authorised Offeror[s] identified in paragraph 39 above [and any additional financial intermediaries who have or who obtain the Issuer's consent to use the Base Prospectus in connection with the Non-exempt Offer (as defined in the Summary) and who are identified on the website of the Issuer as an Authorised Offeror] (together, the " Authorised Offerors ")]
Name(s) and address(es) of the entities which have a firm commitment to act as intermediaries in secondary market trading, providing liquidity through bid and offer rates:	[Not Applicable] <i>[give details]</i>]

10. [INDEX DISCLAIMER]

[In the case of Index Linked Notes, insert the relevant index disclaimer]]

-
- * Not applicable if minimum denomination is less than €100,000 (or its equivalent in the relevant currency as at the date of issue)
- ** Not applicable if minimum denomination is €100,000 (or its equivalent in the relevant currency as at the date of issue) or more
- *** Not applicable if the Notes are derivative securities to which Annex XII of the Prospectus Regulation applies

TERMS AND CONDITIONS OF THE NOTES

*The following are the "Terms and Conditions of the Notes" which will be incorporated by reference into each Global Note (as defined below) and each individual note certificate (an "**Individual Note Certificate**") representing a Registered Note (as defined below) in definitive form (a "**Definitive Registered Note**"), and in the case of Individual Note Certificates only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by MLBV and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Individual Note Certificate will have endorsed thereon or attached thereto such Terms and Conditions. The Terms and Conditions will also apply to, and be incorporated by reference into, Swedish Notes (as defined below). The applicable Final Terms (as defined below) in relation to any Tranche (as defined below) of Notes may specify which of the following Terms and Conditions (including the Additional Terms and Conditions described below) apply to such Notes and will complete such Terms and Conditions (including the Additional Terms and Conditions described below) as applicable. The Registration Document (the "**Registration Document**") relating to the Programme and applicable Summary and Securities Note (the "**Securities Note**") relating to a particular series of Notes may also be used in connection with the issue of Notes under the Programme and such applicable Securities Note may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. To the extent that Notes are issued pursuant to a Securities Note, references in the following Terms and Conditions to the "Final Terms" shall be read as references to the "Securities Note" in respect of such series of Notes, and all such references shall be construed accordingly. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Individual Note Certificate and will constitute a part of the Conditions of the Swedish Notes.*

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Notes

This Note is one of a Series (as defined below) of notes (the "**Notes**") issued by Merrill Lynch B.V. "**MLBV**" or the "**Issuer**").

References herein to the "Notes" shall be references to the Notes of a Series and shall mean:

- (a) in relation to any Registered Note represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;

- (b) any Global Note;
- (c) any Definitive Registered Notes issued in exchange for a Global Note; and
- (d) any Swedish Note.

Agents and Agency Agreements

The Notes have the benefit of an Amended and Restated Agency Agreement dated 10 August 2015 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made among MLBV, Merrill Lynch International & Co. C.V., Bank of America Corporation ("**BAC**" or the "**Guarantor**"), Bank of America, N.A. (operating through its London Branch) as principal paying agent (the "**Principal Paying Agent**"), Skandinaviska Enskilda Banken AB (publ) as Swedish paying agent (the "**Swedish Paying Agent**") (together with the Principal Paying Agent, the "**Paying Agents**" which expression shall include any additional or successor paying agents), Merrill Lynch Equity S.à.r.l. as registrar (the "**Registrar**") and the other agents named therein. References herein to the "**Agents**" are to the Registrar and the Paying Agents and any reference to an "**Agent**" is to any one of them.

Final Terms

The applicable Final Terms (the "**Final Terms**") for the Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to, endorsed on or constituting a part of the Note which supplement and complete these Terms and Conditions (the "**Terms and Conditions**", or the "**Conditions**") for the purposes of the Note. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to, endorsed on or constituting a part of the Note.

Additional Terms and Conditions

The additional Terms and Conditions contained in (i) Annex 1 in respect of payout provisions under the Notes (the "**Product Conditions**") and (ii) Annex 2 in the case of Index Linked Notes, Annex 3 in the case of Share Linked Notes, Annex 4 in the case of GDR/ADR Linked Notes, Annex 5 in the case of Fund Linked Notes, Annex 6 in the case of Hybrid Basket Linked Notes and Annex 7 in the case of Physical Delivery Notes (each as defined below) (the "**Underlying Asset Conditions**", together with the Product Conditions, the "**Additional Terms and Conditions**") will apply to, and form part of the Terms and Conditions (as defined below) of, the Notes if and to the extent specified in the applicable Final Terms.

Guarantee

The payment of principal, interest and all other amounts payable and/or delivery of non-cash consideration deliverable in respect of the Notes are unconditionally and irrevocably guaranteed by BAC pursuant to a guarantee (the "**Guarantee**") dated 10 August 2015 executed by BAC. The original of the Guarantee is held by the Principal Paying Agent on behalf of the Noteholders at its specified office.

Noteholders and Holders

Any reference to "**Noteholders**" or "**Holders**" shall mean the person in whose name a Registered Note is registered and in relation to any Notes represented by a Global Note or any Swedish Note, shall be construed as provided below.

Conflicts

In the event of any inconsistency between (i) these Terms and Conditions of the Notes or the relevant Underlying Asset Conditions and (ii) the Product Conditions, the Product Conditions shall prevail.

Tranche and Series

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or

Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates (if applicable) and/or Issue Prices (each as defined below).

Programme Documents

The Holders of the Notes are entitled to the benefit of the Notes Deed of Covenant (the "**Notes Deed of Covenant**") dated 10 August 2015 and made by the Issuer. The original of the Notes Deed of Covenant is held by a common depository for Euroclear and Clearstream, Luxembourg (each as defined below) (the "**Common Depository**").

Copies of the Agency Agreement, the Guarantee and the Notes Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the specified office of the Issuer or the Paying Agents and copies may be obtained from those specified offices save that, if the Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more of such Series of Notes and such Noteholder must produce evidence satisfactory to the Issuer or the relevant Paying Agent as to its ownership of such Series of Notes and identity. The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Base Prospectus will also be published on the website of the Issuer (www.invest.baml.com).

Noteholders deemed to have notice of Programme Documents and Final Terms

The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Notes Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Interpretation

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

1. Form, Denomination and Title

The Notes are issued in registered form ("**Registered Notes**") and, in the case of Individual Note Certificates, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination, or subdivided or reissued in a smaller denomination.

The Notes may be Fixed Rate Notes, Floating Rate Notes, Index Linked Interest Notes, Share Linked Interest Notes, GDR/ADR Linked Interest Notes, or a combination of any of the foregoing depending on the Interest Basis specified in the applicable Final Terms.

The Notes may be Index Linked Redemption Notes (together with Index Linked Interest Notes, "**Index Linked Notes**"), Share Linked Redemption Notes (together with Share Linked Interest Notes, "**Share Linked Notes**"), GDR/ADR Linked Redemption Notes (together with GDR/ADR Linked Interest Notes, "**GDR/ADR Linked Notes**"), Fund Linked Redemption Notes ("**Fund Linked Notes**"), or Hybrid Basket Linked Notes, depending upon the Redemption/Payment Basis specified in the applicable Final Terms.

If averaging ("**Averaging**") is specified as applicable in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, in respect of Index Linked Notes, Share Linked Notes, Notes linked to Funds which are Exchange Traded Funds and Hybrid Basket Linked Notes, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement applies.

If the applicable Final Terms specify "Physical Delivery Notes" to be applicable, the Note may be redeemed by delivery of the Entitlement, and "Annex 7 – *Additional Terms and Conditions for Physical Delivery Notes*" shall apply.

Subject as set out below, title to Registered Notes shall, subject to mandatory rules of law, pass by registration in the Register that MLBV shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or 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 or proven error) shall be treated by the Issuer, the Guarantor, the Registrar and the Paying Agents, as applicable, 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 registered holder of the relevant Global Registered Note shall be treated by the Issuer, the Guarantor, the Registrar and any Paying Agent, as applicable, as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note (and the expression "**Holder**" and related expressions shall be construed accordingly).

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or Euroclear Sweden AB ("**Euroclear Sweden**") shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer or the Principal Paying Agent, as applicable, from time to time and notified to the Noteholders in accordance with Condition 13 (*Notices*).

Swedish Note(s)

If the applicable Final Terms indicates that the Notes are to be issued into and cleared through the Swedish CSD ("**Swedish Notes**"), such Series of Swedish Notes will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish CSD Rules.

The holder of any such Swedish Notes will be the person in whose name such Swedish Note is registered in the Swedish Register in accordance with the Swedish CSD Rules and the reference to a person in whose name a Swedish Note is so registered shall include any person duly authorised to act as a nominee (in Swedish: *förvaltare*) and registered as such for the Swedish Notes and except as ordered by a court of competent jurisdiction or as required by law, such holder of such Swedish Notes shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder (and the expression "**Holder**" and related expression shall be construed accordingly).

All Swedish Notes of the same Series shall have the same denomination. For so long as it is a requirement under the Swedish CSD Rules, the specified currency for Swedish Notes may only be SEK or EUR, as specified in the applicable Final Terms.

The Issuer shall be entitled to obtain information from the Swedish Register in accordance with the Swedish CSD Rules.

Swedish Notes will be Cash Settled Notes only.

As used in the Terms and Conditions, the following expressions have the following meanings:

"**Cash Settled Notes**" means Notes specified to be Cash Settled Notes in the applicable Final Terms;

"Cash Settled Notes and/or Physical Delivery Notes" means Notes specified to be Cash Settled Notes and/or Physical Delivery Notes in the applicable Final Terms or the relevant Note Product Conditions specified to be applicable in the Final Terms;

"Fund Linked Redemption Notes" means any Notes in respect of which the "Redemption/Payment Basis" is specified to be "Fund Linked" in the applicable Final Terms;

"GDR/ADR Linked Interest Notes" means any Notes in respect of which Underlying Asset Linked Interest Notes is specified to be applicable and the "Interest Basis" is specified to be "GDR/ADR Linked" in the applicable Final Terms;

"GDR/ADR Linked Redemption Notes" means any Notes in respect of which the "Redemption/Payment Basis" is specified to be "GDR/ADR Linked" in the applicable Final Terms;

"Hybrid Basket Linked Notes" means any Notes in respect of which the "Hybrid Basket Linked Conditions" are specified to be applicable and the "Redemption/Payment Basis" is specified to be "Hybrid Basket Linked" in the applicable Final Terms;

"Index Linked Interest Notes" means any Notes in respect of which "Underlying Asset Linked Interest Notes" is specified to be applicable and the "Interest Basis" is specified to be "Index Linked" in the applicable Final Terms;

"Index Linked Redemption Notes" means any Notes in respect of which the "Redemption/Payment Basis" is specified to be "Index Linked" in the applicable Final Terms;

"Register" means the relevant register held by the Registrar in respect of Registered Notes;

"Share Linked Interest Notes" means any Notes in respect of which "Underlying Asset Linked Interest Notes" is specified to be applicable and the "Interest Basis" is specified to be "Share Linked" in the applicable Final Terms;

"Share Linked Redemption Notes" means any Notes in respect of which the "Redemption/Payment Basis" is specified to be "Share Linked" in the applicable Final Terms;

"Swedish CSD" means the Swedish central securities depository (*central värdepappersförvarare*) which is expected to be Euroclear Sweden;

"Swedish CSD Rules" means the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*) and any regulations, rules and operating procedures applicable to and/or issued by the Swedish CSD from time to time; and

"Swedish Register" means the book-entry register maintained by the Swedish CSD on behalf of the Issuer in respect of Swedish Notes in accordance with Swedish CSD Rules.

2. **Exchange and Transfer of Notes**

(A) *Exchange of Notes*

In the case of an exchange of a Global Note for one or more Individual Note Certificates, the Registrar will reflect any such exchange on the Register, and one or more new Individual Note Certificates will be issued to the designated transferee or transferees by the Principal Paying Agent.

(B) *Notes held in Euroclear, Clearstream, Luxembourg and the Swedish CSD*

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

Swedish Notes will be issued, cleared, settled and transferable only in accordance with the provisions of the Swedish CSD Rules. Title to Swedish Notes will pass by registration in the Swedish Register. Where a nominee is registered as a holder of Swedish Notes it shall be

treated for all purposes as the holder of such Swedish Notes. No holder of a Swedish Note may require the transfer of a Swedish Note to be registered during a period which is the equivalent to any such closed period pursuant to the Swedish CSD Rules.

(C) *Transfer of Definitive Registered Notes and Global Notes*

Subject to Condition 2(E) (*Closed Periods*), transfers of Definitive Registered Notes or Global Notes are effected upon the surrender (at the specified office of the Principal Paying Agent) of the Individual Note Certificates or Global Note, as applicable, to be transferred together with the form of transfer endorsed on such Individual Note Certificates or Global Note, as applicable (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed by the person shown as the registered holder on the Register, or its attorney duly authorised in writing, and such other evidence as the Principal Paying Agent may reasonably require. The Registrar will reflect any such transfer in the Register. In the case of the transfer of all of a holding of Notes represented by one Individual Note Certificate or Global Note, as applicable, the Principal Paying Agent will cancel the Individual Note Certificate or Global Note, as applicable, surrendered by the transferor, and one new Individual Note Certificate or Global Note, as applicable, will be issued to the designated transferee (following the transferee's surrender of any existing Individual Note Certificate or Global Note, as applicable, in respect of Notes of that Series). In the case of a transfer of part only of a holding of Notes represented by one Individual Note Certificate, a new Individual Note Certificate will be issued to the designated transferee (following the transferee's surrender of any existing Individual Note Certificate in respect of Notes of that Series) and a further new Individual Note Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Definitive Registered Notes of a Series to a transferee who is already a Holder of such Series, a new Individual Note Certificate representing the enlarged holding shall only be issued against surrender of the Individual Note Certificate representing the existing holding. No beneficial owner of an interest in a Global Note will be able to transfer such interest, except as described above in Condition 2(B) (*Exchange and Transfer of Notes - Notes held in Euroclear, Clearstream, Luxembourg and the Swedish CSD*).

(D) *Delivery of New Individual Note Certificates and Global Notes*

Each new Individual Note Certificate or Global Note to be issued pursuant to this Condition 2 (*Exchange and Transfer of Notes*) shall be available for delivery within three Business Days of receipt of the form of transfer and surrender of the Individual Note Certificate or Global Note, as applicable, for exchange. Delivery of the new Individual Note Certificate(s) or Global Note, as applicable, shall be made at the specified office of the Principal Paying Agent to whom delivery or surrender of such request for exchange, form of transfer, or Individual Note Certificate or Global Note shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Individual Note Certificate or Global Note (as applicable) to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Principal Paying Agent the costs of such other method of delivery and/or such insurance as it may specify.

(E) *Closed Periods*

No Holder may require the transfer of Notes to be registered:

- (i) during the period beginning on the Record Date and ending on the due date for redemption of, or payment of any amount of interest, in respect of, that Note;
- (ii) after any such Note has been called for redemption;
- (iii) during the period beginning on the Record Date and ending on the date fixed for any meeting of Noteholders, or any adjourned meeting of Noteholders; or
- (iv) during the period of seven calendar days ending on (and including) any Record Date.

Unless otherwise specified, as used herein "**Record Date**" means (i) in respect of any Definitive Registered Notes, the close of business (London time) on the 15th calendar day and (ii) in respect of any Global Registered Notes, the close of business on the Relevant Clearing System Business Day, in each case, prior to the applicable due date for redemption of a Note, or the payment of any amount of interest in respect of a Note, or the date fixed for any meeting, or adjourned meeting, of holders of Notes, where "**Relevant Clearing System Business Day**" means a day on which the relevant clearing system through which the Notes are held is open for business.

For the avoidance of doubt, this Condition 2(E) (*Exchange and Transfer of Notes - Closed Periods*) shall not apply to or restrict the Issuer's ability to purchase an outstanding Series of Notes pursuant to Condition 6 (*Redemption and Purchase - Repurchases*).

(F) *Exchange or Transfer Free of Charge*

Exchange and transfer of Notes on registration, transfer, partial redemption, settlement or exercise of an option (as applicable) shall be effected without charge by or on behalf of the Issuer or the Principal Paying Agent, but upon payment by the Holder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Principal Paying Agent may require).

3. **Status of the Notes and the Guarantee**

(A) *Status of the Notes and Guarantee*

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

The obligations of the Guarantor under the Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, will rank *pari passu* with its other present and future unsecured and unsubordinated obligations.

(B) *Terms of the Guarantee*

Under the Guarantee, the Guarantor has unconditionally and irrevocably guaranteed to the Noteholders, (i) the due and punctual payment of any and all amounts payable by the Issuer as obligor in respect of the Notes and (ii) subject as provided below, the due and punctual delivery of non-cash consideration deliverable by the Issuer in respect of the Notes, if applicable, when and as the same shall become due and payable or when the same shall become due for delivery pursuant to the Conditions and to the extent provided in the Guarantee. As more fully set forth in the Guarantee, the Guarantor shall at all times have the right, at its sole and unfettered discretion, to elect not to deliver or procure delivery of the Entitlement to the holders of such Physical Delivery Notes when the same shall become due and deliverable, but in lieu thereof to pay an amount in cash equal to the Guaranteed Cash Settlement Amount. The "**Guaranteed Cash Settlement Amount**" in respect of each Note means an amount calculated pursuant to the terms of, or as specified in, the applicable Securities Note (if applicable) or, if not specified in the applicable Securities Note or if Final Terms apply to the Note, an amount equal to the fair market value of the Entitlement in respect of such Note on any date notified as such by the Guarantor to the Issuer and the Calculation Agent, less the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as determined by the Guarantor in its sole and absolute discretion. Any payment of the Guaranteed Cash Settlement Amount in lieu of the Entitlement shall constitute a complete discharge of the Guarantor's obligations in respect of such Physical Delivery Notes.

4. **Redenomination**

(A) *Redenomination*

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 calendar days' prior notice to the Noteholders in accordance with Condition 13 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes shall be deemed to be redenominated in euro in the denomination of €0.01 with a nominal amount for each Note equal to the nominal amount of that Note in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;
- (c) if Definitive Registered Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant Notes in the denomination of €100,000 and/or such higher amounts as the Principal Paying Agent may determine and notify to the Noteholders and any remaining amounts less than €100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 5 (*Payments*); and (ii) in the case of Notes which are not Relevant Notes, in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the Principal Paying Agent may approve) €0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;
- (d) the payment obligations contained in any Notes issued prior to the Redenomination Date will become void on the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes are available for exchange (provided that such securities are so available) and no payments will be made in respect of them, although those Notes will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes will be issued in exchange for Notes denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 calendar days prior to any date for payment of principal or interest (if any) on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes other than payments of interest (if any) in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

- (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and
- (ii) in the case of Definitive Registered Notes, by applying the Rate of Interest to the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

- (g) such other changes shall be made to this Condition 4 (*Redenomination*) as the Issuer may decide, after consultation with the Paying Agents and as may be specified in the notice, to conform it to conventions applicable to instruments denominated in euro.

(B) *Definitions*

In the Terms and Conditions, the following expressions have the following meanings:

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

"euro" means lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time);

"Redenomination Date" means any date for payment of interest under the Notes specified by the Issuer in the notice given to the Noteholders pursuant to Condition 4(A) (*Redenomination*) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"Relevant Notes" means all Notes where the applicable Final Terms provides for a minimum Specified Denomination in the Specified Currency which is equivalent to at least €100,000 and which are admitted to trading on a regulated market in the European Economic Area.

5. **Payments**

(A) *Method of Payment*

Payments of principal, interest and any other amounts due on the Notes shall be paid to the person shown on the Register on the Record Date. Payments in respect of each Note shall be made in the relevant Specified Currency by cheque drawn on a bank in the principal financial centre of the country of such Specified Currency and mailed to the Noteholder (or the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the Noteholder to the specified office of the Principal Paying Agent before the Record Date, such payment may be made by transfer to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

Notwithstanding anything to the contrary in this Condition 5(A) (*Payments – Method of Payment*), payments in CNY will be made solely by credit or transfer to a CNY account maintained by the payee with a bank in the CNY Settlement Centre in accordance with applicable laws, rules, regulations and guidelines.

(B) *Payments in respect of Swedish Notes*

Payments of principal and/or interest in respect of Swedish Notes shall be made to the Holders registered as such on the fifth business day (as defined by the then applicable Swedish CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the Swedish CSD Rules. Such day shall be the Record Date in respect of the Notes in accordance with the Swedish CSD Rules. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and will be made in accordance with the Swedish CSD Rules. All such payments will be made outside of the United States.

(C) *Payments in respect of Registered Notes*

(a) *Payments in respect of Definitive Registered Notes*

Payments of principal and interest in respect of Definitive Registered Notes will be made in the manner provided in paragraph (A) above to the person shown in the Register on the Record Date.

(b) *Payments in respect of Global Registered Notes*

All payments in respect of a Global Registered Note will be made in the manner provided in paragraph (A) above to the person shown in the Register on the Record Date.

(D) *Payment Day*

If the date for payment of any amount in respect of any Note is not a Payment Day, the Holder thereof shall not be entitled to payment until (i) if "Following" is specified in the applicable Final Terms, the next following Payment Day or (ii) if "Modified Following" is specified in the applicable Final Terms, the next following Payment Day unless that Payment Day falls in the next calendar month, in which case the first preceding Payment Day, in the relevant place and shall not be entitled to further interest or other payment in respect of such delay or amendment. For these purposes, "**Payment Day**" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchanges and foreign currency deposits) in:

- (a) the principal financial centre of the country of the relevant Specified Currency (or (A) in the case of an amount payable in euro, a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system or any successor thereto (the "**TARGET2 System**") is operating or (B) in the case of an amount payable in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Settlement Centre);
- (b) each Additional Financial Centre specified in the applicable Final Terms, provided that if the Additional Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Payment Day shall also be a day on which the TARGET2 System is operating; and
- (c) London, unless specified as not applicable in the applicable Final Terms.

(E) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Index Substitution Optional Redemption Amount(s) (if any) of the Notes;
- (e) the Failure to Deliver Settlement Price (if any) in respect of the Notes;
- (f) the Disruption Cash Settlement Price (if any) in respect of the Notes; and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*).

(F) *Definition of Affiliate*

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

(G) *Payment Disruption*

(a) *Occurrence of a Payment Disruption Event or a CNY Payment Disruption Event*

If the applicable Final Terms specifies "Payment Disruption Event" or "CNY Payment Disruption Event" to be applicable, in the event that the Calculation Agent, at any time and from time to time, determines in its sole discretion that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, has occurred or is likely to occur, then the Calculation Agent shall as soon as practicable notify the Holders of the relevant Notes of the occurrence of such Payment Disruption Event or CNY Payment Disruption Event, as the case may be, in accordance with Condition 13 (*Notices*).

(b) *Consequences of a Payment Disruption Event*

Upon the occurrence of a Payment Disruption Event:

(i) *Extension of relevant dates*

The Calculation Agent may extend the Interest Payment Date, the Maturity Date or any other date on which the Notes may be redeemed or any amount shall be due and payable in respect of the relevant Notes, subject to Condition 5(G)(e) (*Payment Event Cut-Off Date*), to a date falling five Business Days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with Condition 13 (*Notices*)) after the date on which the Payment Disruption Event is no longer occurring and notice thereof shall be given to the relevant Holders in accordance with Condition 13 (*Notices*).

(ii) *Obligation to pay postponed*

The Calculation Agent may postpone the Issuer's obligation to pay the Interest Amount, Fixed Coupon Amount, Final Redemption Amount or any such other amounts in respect of the relevant Notes, subject to Condition 5(G)(e) (*Payment Event Cut-Off Date*), until five Business Days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance

with Condition 13 (*Notices*)) after the date on which the Payment Disruption Event is no longer occurring.

(iii) *Issuer's option to vary settlement upon occurrence of a Payment Disruption Event*

Notwithstanding the Issuer's right to extend the dates for payments in accordance with Condition 5(G)(b)(i) (*Extension of relevant dates*) or postpone payment in accordance with Condition 5(G)(b)(ii) (*Obligation to pay postponed*), as applicable, the Issuer may, if practicable (and to the extent lawful), and at the Issuer's sole and absolute discretion:

- (1) make payments due to be made in the Subject Currency in the Base Currency, converted from the Subject Currency into the Base Currency at a rate reasonably selected by the Calculation Agent;
- (2) make payments due to be made in the Base Currency in the Subject Currency, disregarding any obligation to convert amounts into the Base Currency;
- (3) in the case of Share Linked Notes, deliver the Shares in lieu of cash settlement; or
- (4) in the case of Share Linked Notes which reference a basket of Shares, elect to satisfy in part its obligation to pay the amounts as may be due and payable under the relevant Notes by making a partial payment(s) or partial deliveries, as the case may be (the "**Partial Distributions**"). Any Partial Distribution made by the Issuer to the Holders will be calculated and/or determined by the Calculation Agent in its sole and absolute discretion and shall be paid and/or delivered to the Holders *pro rata* (as far as possible, subject to any necessary adjustments for rounding) to the proportion of the Notes of the same Series held by the relevant Holder. In the event that any Partial Distribution is made by the Issuer, the Calculation Agent may, in its sole and absolute discretion, make any such corresponding adjustment to any variable relevant to the redemption or payment terms of the relevant Notes as it deems necessary and shall notify the relevant Holders thereof in accordance with Condition 13 (*Notices*).

Any payments or deliveries made in accordance with this Condition 5(G)(b)(iii) shall satisfy and discharge in full (in the case of payments or deliveries made in accordance with paragraphs (1) to (3)) and in part (in the case of Partial Distributions made in accordance with paragraph (4)) the Issuer's obligation to pay the Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount in respect of which the Payment Disruption Event has arisen, and no further amounts shall be due and payable by the Issuer in respect thereof.

(c) *Consequences of a CNY Payment Disruption Event*

Upon the occurrence of a CNY Payment Disruption Event:

(i) *Extension of relevant dates*

If "Extension" is specified to be applicable in the applicable Final Terms, then Condition 5(G)(b)(i) (*Extension of relevant dates*) shall apply, provided that the reference therein to "Payment Disruption Event" shall be construed as a reference to "CNY Payment Disruption Event".

(ii) *Obligation to pay postponed*

If "Payment Postponement" is specified to be applicable in the applicable Final Terms, then Condition 5(G)(b)(ii) (*Obligation to pay postponed*) shall apply,

provided that the reference therein to "Payment Disruption Event" shall be construed as a reference to "CNY Payment Disruption Event".

(iii) *Payment of Equivalent Amount*

If "Payment of Equivalent Amount" is specified to be applicable in the applicable Final Terms, and the Calculation Agent determines that such CNY Payment Disruption Event is material in relation to the Issuer's obligations under the relevant Notes to pay any Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount in respect of the relevant Notes on the relevant Interest Payment Date, Maturity Date, or such other date on which any amount in respect of the relevant Notes shall be due and payable (such date, the "**Affected Payment Date**"), then the Issuer shall, on giving notice to Holders prior to the relevant Affected Payment Date, make payment of the Equivalent Amount of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount or such other amount payable (if applicable) on the relevant Affected Payment Date in full and final settlement of its obligations to pay such Interest Amount, Fixed Coupon Amount, Redemption Amount or other amount in respect of the relevant Notes.

(d) *Payments net of expenses*

Notwithstanding any provisions to the contrary, (a) any payments made in accordance with Condition 5(G)(b) (*Consequences of a Payment Disruption Event*) or Condition 5(G)(c) (*Consequences of a CNY Payment Disruption Event*), as the case may be, shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Calculation Agent or Issuer in connection with or arising from the resolution of the relevant Payment Disruption Event(s) or CNY Payment Disruption Event(s), as the case may be, and (b) no interest or other payment shall be paid by the Issuer in respect of any delay which may occur in the payment of any amounts due and payable under the Notes as a result of the operation of Condition 5(G)(b) (*Consequences of a Payment Disruption Event*) or Condition 5(G)(c) (*Consequences of a CNY Payment Disruption Event*), as the case may be.

(e) *Payment Event Cut-Off Date*

In the event that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, is still occurring on the Payment Event Cut-Off Date, then the Interest Payment Date, the Maturity Date, or any other date on which any Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount in respect of the relevant Notes shall be due and payable (as the case may be) for the relevant Notes shall be deemed to fall on the Payment Event Cut-Off Date. In such circumstances, the Holder will not receive any amounts or Underlying Assets. Thereafter, the Issuer shall have no obligations whatsoever under the Notes.

For the purposes of this Condition 5(G) (*Payments – Payment Disruption*):

"**Base Currency**" means the currency specified as such in the applicable Final Terms;

"**CNY**" means Chinese Renminbi, the lawful currency of the People's Republic of China (including any lawful successor currency to the CNY);

"**CNY Payment Disruption Event**" means the occurrence of any of the following events:

- (a) an event that makes it impossible or impractical for the Issuer to convert any amounts in CNY due in respect of the Notes in the general CNY foreign exchange market in the relevant CNY Settlement Centre(s), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) (a "**CNY Inconvertibility Event**");

- (b) an event that makes it impossible or impractical for the Issuer to (i) deliver CNY between accounts inside the relevant CNY Settlement Centre(s), or (ii) from an account inside the relevant CNY Settlement Centre(s) to an account outside the relevant CNY Settlement Centre(s) (including, if applicable, to another CNY Settlement Centre), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) (a "**CNY Non-Transferability Event**"); and
- (c) the general CNY foreign exchange market in the relevant CNY Settlement Centre becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its payment obligations (in whole or in part) under the Notes (a "**CNY Non-Availability Event**");

"**CNY Settlement Centre**" means the financial centre(s) specified as such in the applicable Final Terms;

"**Equivalent Amount**" means, in respect of the relevant Interest Amount, Fixed Coupon Amount, Final Redemption Amount or other amount payable (if applicable) on the relevant Affected Payment Date (for these purposes, the "**Relevant Amount**"), an amount in the Base Currency determined by the Calculation Agent by converting the Relevant Amount into the Base Currency using the Equivalent Amount Settlement Rate for the relevant Affected Payment Date;

"**Equivalent Amount Settlement Rate**" means, in respect of any relevant day, the spot exchange rate on such day between CNY and the Base Currency, determined by the Calculation Agent, taking into account all available information which the Calculation Agent deems relevant (including, but not limited to, pricing information obtained from the CNY non-deliverable market outside the People's Republic of China and/or the CNY foreign exchange market in the People's Republic of China);

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the People's Republic of China, the Hong Kong Special Administrative Region and any other CNY Settlement Centre;

"**impractical**" or "**impracticality**" means, in respect of any action to be taken by the Issuer, that the Issuer and/or its Affiliates would incur a materially increased amount of taxes, duties, expenses or fees (as compared with circumstances existing on the Trade Date) to perform such action, or the Issuer and/or any Affiliates would be in breach of any law, rule, regulation, guideline or internal policy of the Issuer and/or its Affiliates, if such action were to be performed;

"**Inconvertibility Event**" means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (a) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions); and/or
- (b) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice.

"Non-Transferability Event" means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any event that generally makes it impossible to deliver (a) the Base Currency from accounts inside the Subject Currency Jurisdiction to accounts outside the Subject Currency Jurisdiction or (b) the Subject Currency between accounts inside the Subject Currency Jurisdiction or to a party that is a non-resident of the Subject Currency Jurisdiction.

"Payment Disruption Event" means:

- (a) the occurrence of either (a) an Inconvertibility Event and/or (b) a Non-Transferability Event;
- (b) the imposition by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines in good faith is likely materially to affect the Notes, and notice thereof is given by the Issuer to the Holders in accordance with Condition 13 (*Notices*); or
- (c) the implementation by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) or the publication of any notice of an intention to implement any changes to the laws or regulations relating to foreign investment in the Subject Currency Jurisdiction (including, but not limited to, changes in tax laws and/or laws relating to capital markets and corporate ownership), which the Calculation Agent determines are likely to affect materially the Issuer's ability to hedge its obligations under the Notes;

"Payment Event Cut-Off Date" means the date which is one year after the Maturity Date, or as determined by the Calculation Agent acting in good faith and notified to Holders in accordance with Condition 13 (*Notices*);

"Specified Financial Centre(s)" means the financial centre(s) specified in the applicable Final Terms, provided that if the Specified Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Business Day shall also be a day on which the TARGET2 System is operating;

"Subject Currency" means the currency specified as such in the applicable Final Terms; and

"Subject Currency Jurisdiction" means the country for which the Subject Currency is the lawful currency.

6. **Redemption and Purchase**

(A) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount on the Maturity Date or, if the Notes are specified as Cash Settled Notes and/or Physical Delivery Notes in the applicable Final Terms, each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer in accordance with the relevant Product Condition specified to be applicable in the Final Terms.

"Final Redemption Amount" means the amount in the relevant Specified Currency as specified in the applicable Final Terms or determined in accordance with the relevant Product Condition specified as applicable in the Final Terms.

(B) *Redemption for Tax Reasons*

The Issuer may redeem the Notes, in whole, but not in part, at any time prior to maturity at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date fixed for redemption, if: (i) the Issuer or the Guarantor shall determine that the Issuer would be required to pay additional amounts, as provided in Condition 8 (*Taxation*), on the occasion of the next payment due with respect to the Notes; (ii) any payment or deemed

payment as determined for United States tax purposes with respect to the Notes or with respect to a direct or indirect hedging arrangement entered into by the Issuer or any of its Affiliates relating to the Notes may be treated as a dividend or "dividend equivalent" for United States tax purposes (such event being a "**U.S. Withholding Tax Event**"); or (iii) on the occasion of the next payment due in respect of the Notes, the Guarantor would be unable to procure the Issuer to make payment and, in making such payment itself under the Guarantee, the Guarantor would be required to pay additional amounts as provided in Condition 8 (*Taxation*).

Notice of intention to redeem Notes pursuant to this Condition 6(B) (*Redemption for Tax Reasons*) will be given at least once in accordance with Condition 13 (*Notices*) not less than 30 calendar days nor more than 60 calendar days prior to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the effective date of such change or amendment and that at the time notice of such redemption is given, such obligation to pay such additional amounts remains in effect and cannot be avoided by the Issuer's taking reasonable measures available to it. From and after any redemption date, if monies for the redemption of Notes shall have been made available for redemption on such redemption date, such Notes shall cease to bear interest, if applicable, and the only right of the holders of such Notes appertaining thereto shall be to receive payment of the Early Redemption Amount and, if appropriate, all unpaid interest accrued to such redemption date.

(C) *Redemption for Tax Compliance Reasons*

The Issuer may, at its option, redeem the Notes, in whole or in part, at any time prior to maturity, at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date fixed for redemption, if the Issuer determines in good faith that it has, or there is a substantial likelihood that it will, become subject to withholding imposed on a payment made to it on account of the Issuer's inability to comply with the reporting requirements imposed by the FATCA Provisions (as defined below), provided that such inability to comply with the reporting requirements is attributable to non-compliance by any Holder of such Notes (or a foreign withholding agent (if any) in the chain of custody of payments made to the Holders) with the Issuer's requests for certifications or identifying information (such redemption, a "**Redemption for Tax Compliance Reasons**"). Upon a Redemption for Tax Compliance Reasons, Notes held by compliant Holders, in addition to those held by non-compliant Holders, may be redeemed.

Notice of intention to redeem Notes pursuant to this Condition 6(C) will be given in accordance with Condition 13 (*Notices*) not less than 30 calendar days nor more than 60 calendar days prior to the date fixed for redemption. From and after any redemption date, if monies for the redemption of Notes shall have been made available for redemption on such redemption date, such Notes shall cease to bear interest, if applicable, and the only right of the holders of such Notes shall be to receive payment of the Early Redemption Amount and, if appropriate, all unpaid interest accrued to such redemption date.

As used in these Terms and Conditions, the term "**FATCA Provisions**" means Section 1471 through 1474 of the Code (or any successor provisions), any regulation, pronouncement, or agreement thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto whether currently in effect or as published and amended from time to time.

(D) *Partial Redemption in respect of Definitive Registered Notes*

In the case of a partial redemption of a holding of Definitive Registered Notes represented by a single Individual Note Certificate, a new Individual Note Certificate shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Definitive Registered Notes of the same holding having different terms, separate Individual Note Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Individual Note Certificates shall only be issued against surrender of the existing Individual Note Certificate to the Principal Paying Agent. In the case of a transfer of Definitive Registered Notes to a person who is already a Holder of Definitive Registered Notes, a new Individual

Note Certificate representing the enlarged holding shall only be issued against surrender of the Individual Note Certificate representing the existing holding.

(E) *Early Redemption Amounts*

The Early Redemption Amount shall be calculated as follows:

- (a) in the case of a Note other than an Index Linked Note, a Share Linked Note, a GDR/ADR Linked Note, a Fund Linked Note or a Hybrid Basket Linked Note, the Early Redemption Amount in respect of each nominal amount of such Notes equal to the Calculation Amount will be set out in the applicable Final Terms or, if no such amount is specified in the applicable Final Terms, its nominal amount; or
- (c) in the case of Index Linked Notes, Share Linked Notes, GDR/ADR Linked Notes, Fund Linked Notes or Hybrid Basket Linked Notes, the Early Redemption Amount in respect of each nominal amount of such Notes equal to the Calculation Amount will be set out in the applicable Final Terms.

If "**Market Value less Associated Costs**" is specified as the Early Redemption Amount in the applicable Final Terms the Early Redemption Amount in respect of each nominal amount of Notes equal to the Calculation Amount shall be an amount determined by the Calculation Agent, which on (i) in the case of redemption other than pursuant to Condition 10 (*Events of Default*), the second Business Day immediately preceding the due date for the early redemption of the Notes or (ii) in the case of redemption pursuant to Condition 10 (*Events of Default*), the due date for the early redemption of such Notes, represents the fair market value of such Notes (taking into account all factors which the Calculation Agent determines relevant) less Associated Costs, and provided that no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes.

As used herein:

"**Associated Costs**" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to such Notes' *pro rata* share of the total amount of any and all costs associated or incurred by the Issuer or any Affiliate in connection with such early redemption, including, without limitation, any costs associated with unwinding any funding relating to the Notes and any costs associated with unwinding any hedge positions relating to the Notes, all as determined by the Calculation Agent in its sole discretion.

(F) *Illegality*

In the event that the Issuer determines in good faith that (i) the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under the Notes or (ii) the performance by the Guarantor of any of its obligations under the Guarantee in respect of the Notes, has or will become, in whole or in part, unlawful, illegal or otherwise contrary to any present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative, judicial or regulatory authority or powers, or any change in the interpretation thereof that is applicable to the Issuer and/or the Guarantor, the Issuer may, at its discretion, by giving, at any time, not less than 10 nor more than 30 calendar days' notice to Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), elect that such Notes be redeemed, in whole but not in part, on the date specified by the Issuer, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(G) *Repurchases*

The Issuer, the Guarantor or any of their affiliates may purchase at any time and from time to time outstanding Notes by tender, in the open market or by private agreement. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent for cancellation.

(H) *Cancellations*

All Notes which are redeemed will be cancelled by surrendering the Global Note or Definitive Registered Note representing such Notes to the Principal Paying Agent and, if so surrendered, shall be cancelled forthwith. All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (G) above shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7. **Currency Substitution Event**

In the event that the Issuer and the Calculation Agent, in their discretion, determine that any Relevant Governmental Authority (as defined below) of a country, bloc of countries or other applicable sovereign entity or entities (each, an "**Applicable Jurisdiction**") announces or in any event effects (whether pursuant to legislation enacted for such purpose in the Applicable Jurisdiction, in accordance with or in breach of applicable international treaties, or in any other manner) or (based on publicly available information which the Issuer and the Calculation Agent reasonably consider relevant) there is a substantial likelihood that it will effect within the next 90 days, the replacement of the lawful currency (the "**Initial Currency**") of an Applicable Jurisdiction with a substitute currency ("**Substitute Currency**") (for the avoidance of doubt, including circumstances in which a country (a "**Departing Country**") within a bloc of countries in a currency union passes legislation (or a Relevant Governmental Authority thereof announces that it will pass legislation or otherwise seeks) to effect or does effect the withdrawal of such Departing Country from the currency bloc and the replacement of the currency of the currency union with another currency as the official currency of the Departing Country) (any such event being a "**Currency Substitution Event**"), and:

- (a) the calculation of amounts to be paid or assets to be delivered under any Note is linked to one or more Underlying Asset(s), and the currency by which the Underlying Asset(s) and/or any component(s) thereof is priced, quoted or traded is (or, in the Issuer's reasonable opinion is likely to be), as a result of the Currency Substitution Event, redenominated from the Initial Currency into the Substitute Currency; and/or
- (b) the calculation of amounts to be paid or assets to be delivered under any Note is linked to one or more floating rates of interest based on or related to amounts denominated in the Initial Currency; and/or
- (c) the Hedging Arrangements (as defined below) in respect of any Note have been materially adversely affected by (A) the Currency Substitution Event and/or (B) capital controls or other restrictions imposed by a Relevant Governmental Authority of the Applicable Jurisdiction, and the Hedging Party (as defined below) is unable, after using commercially reasonable efforts, to alter or modify the Hedging Arrangements and/or establish alternate Hedging Arrangements to fully account for the material adverse effect of (A) and/or (B) above,

then, unless otherwise provided in the applicable Final Terms, the Issuer and the Calculation Agent may, in their discretion:

- (x) make such adjustments, as shall be notified to each holder of the relevant Notes, to the exercise, settlement, valuation, calculation, payment and/or any other Terms and Conditions of the Note as the Issuer determines appropriate to (i) (in the case of (a) or (b) above) preserve the economic terms of such Notes as of the Issue Date, including, without limitation, making any currency conversion necessary as part of any such adjustment based on the relevant official conversion rate or at an appropriate market rate of exchange determined by the Calculation Agent to be prevailing as of any relevant time and date, or (ii) (in the case of (c) above) account for the material adverse effect on the Hedging Arrangements and in order to effect a commercially reasonable result; or
- (y) redeem such Notes on such day as shall be notified to the relevant Holders at their Early Redemption Amount, which amount shall be the Market Value less Associated Costs as provided in Condition 6(E) and as specified in the applicable Final Terms.

For the avoidance of doubt, the circumstances and consequences described in this Condition 7 (*Currency Substitution Event*) and any resulting or alternative adjustments to the exercise, settlement, valuation, calculation, payment and/or any other Terms and Conditions of the Notes will not entitle any holder of such Notes (A) to any legal remedy, including, without limitation, rescission, repudiation, or renegotiation of the Notes, or (B) to raise any defence or make any claim (including, without limitation, claims of breach, force majeure, frustration of purpose, or impracticability) or any other claim for compensation, damages, or any other relief.

For the purposes of this Condition 7 (*Currency Substitution Event*):

"Hedging Arrangements" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange or (b) other instruments or arrangements (howsoever described) in order to hedge individually or on a portfolio basis the Issuer's obligations under any Note;

"Hedging Party" means, the Issuer or any of the Issuer's affiliate(s) or any entity (or entities) acting on the Issuer's behalf engaged in any underlying or hedging transactions relating to any Note and/or underlying market measure(s) in respect of the Issuer's obligations under the Note; and

"Relevant Governmental Authority" means, in relation to any Applicable Jurisdiction, 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 such Applicable Jurisdiction.

8. **Taxation**

The Issuer or the Guarantor, as the case may be, will, subject to certain limitations and exceptions (set forth below), pay to a Noteholder who is a United States Alien or a Netherlands Non-resident (each as defined below) such additional amounts as may be necessary so that every net payment of principal or interest or other amount with respect to the Notes or the Guarantee after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon such Noteholder, by the United States or The Netherlands (as applicable) or any political subdivision or taxing authority of or in the United States or The Netherlands, as the case may be, will not be less than the amount provided for in the Notes or the Guarantee (as applicable) to be then due and payable, as the case may be. Neither the Issuer nor the Guarantor shall be required to make any payment of additional amounts for or on account of:

- (a) any tax, assessment or other governmental charge or withholding under an agreement with a taxing authority which would not have been imposed but for (i) the existence of any present or former connection between such Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Noteholder if such Noteholder is an estate, trust, partnership or corporation) and the United States or The Netherlands, as the case may be, including, without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been present therein, being or having been a citizen or resident or treated as a resident of the United States or The Netherlands, as the case may be, or being or having been present or engaged in a trade or business in the United States or The Netherlands, as the case may be, or having or having had a permanent establishment in the United States or The Netherlands, as the case may be, or (ii) the presentation of a Note for payment on a date more than 15 calendar days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (b) any estate, inheritance, gift, sales, transfer, excise, wealth or personal property or any similar tax, assessment or other governmental charge;

- (c) any tax, assessment or other governmental charge imposed by reason of such Noteholder's past or present status as a personal holding company, foreign personal holding company, passive foreign investment company, private foundation, or other tax-exempt entity, or controlled foreign corporation for United States tax purposes or a corporation which accumulates earnings to avoid United States federal income tax;
- (d) any tax, assessment or other governmental charge which is payable otherwise than by withholding from payments of principal or interest or other amount with respect to the Notes;
- (e) any tax, assessment or other governmental charge imposed as a result of such Noteholder's past or present status as the actual or constructive owner of 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote;
- (f) any tax, assessment or other governmental charge imposed as a result of such Noteholder being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- (g) any tax, assessment or other governmental charge required to be withheld or deducted where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive (including, for the avoidance of doubt, the agreements concluded by each member of the European Union with several dependant or associated territories of the European Union, aiming to apply measures similar to the ones deriving from the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such agreements);
- (h) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence, identity or connection with the United States or The Netherlands, as the case may be, of the Noteholder or of the beneficial owner of such Note, if such compliance is required by statute or by Regulation of the U.S. Department of the Treasury or of the relevant Netherlands authority, as the case may be, as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- (i) any tax, assessment, or governmental charge imposed solely because the payment is to be made by a particular Paying Agent or a particular office of a Paying Agent and would not be imposed if made by another agent or by another office of this agent;
- (j) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the application of Sections 1471 through 1474 of the Code (or any successor provisions), any regulation, pronouncement, or agreement thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, whether currently in effect or as published and amended from time to time;
- (k) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the payment being treated as a dividend or "dividend equivalent" for United States tax purposes; or
- (l) any combination of paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) above,

nor shall additional amounts be paid to any United States Alien or Netherlands Non- resident, as the case may be, which is a fiduciary or partnership or other than the sole beneficial owner of the Note to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner of the Note, Receipt or Coupon would not have been entitled to payment of the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of the Note.

The term "**United States Alien**" means any corporation, partnership, entity, individual, or fiduciary that is for United States federal income tax purposes (1) a foreign corporation, (2) a foreign partnership to the extent one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual, or a foreign estate or trust, (3) a non-resident alien individual, or (4) a foreign estate or trust.

The term "**Netherlands Non-resident**" means any individual, corporation, partnership or any other entity that for Netherlands tax purposes is a non-resident individual, non-resident corporation, non-resident partnership or any other non-resident entity.

9. **Prescription**

The Notes will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined below) therefor.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

10. **Events of Default**

(A) The occurrence of one or more of the following events shall constitute an "**Event of Default**" with respect to any Series of Notes:

- (a) default shall be made in the payment of any amount of interest due in respect of any such Notes and the default continues for a period of 30 calendar days after the due date; or
- (b) default shall be made in the payment of any principal of any such Notes or in the delivery when due of the Entitlement in respect of any such Notes (in each case whether at maturity or upon redemption or otherwise), and such default continues for a period of 30 calendar days after the due date; or
- (c) the Issuer or the Guarantor shall fail to perform or observe any other term, covenant or agreement contained in the Terms and Conditions applicable to any of such Notes or in the Agency Agreement or the Guarantee for the period of 90 calendar days after the date on which written notice of such failure, requiring the Issuer or the Guarantor, as the case may be, to remedy the same, first shall have been given to the Principal Paying Agent, the Issuer and the Guarantor by Holders of at least 33 per cent. of the aggregate principal amount of any such Notes outstanding; or
- (d) a court having jurisdiction in the premises shall have entered a decree or order granting relief with respect to the Issuer or the Guarantor in an involuntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, trustee, assignee, custodian or sequestrator (or similar official) of the Issuer or the Guarantor or of all or substantially all of its property or for the winding up or liquidation of its affairs, and such decree or order shall have remained in force and unstayed for a period of 60 consecutive calendar days; or
- (e) the Issuer or the Guarantor shall institute proceedings for relief under any applicable bankruptcy, insolvency or any other similar law now or hereafter in effect, or shall consent to the institution of any such proceedings against it, or shall consent to the appointment of a receiver, liquidator, trustee, assignee, custodian or sequestrator (or similar official) of it or of all or substantially all of its property, or shall make an assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing.

If an Event of Default shall occur and be continuing with respect to any Series of Notes, then the Holders of at least 33 per cent. in aggregate principal amount of such Notes outstanding may, at their option, declare such Notes to be due and payable immediately at the Early Redemption Amount, together with interest, if any, accrued thereon by written notice to the Issuer, the Guarantor and the Principal Paying Agent at its main office in London, and if any such default is not waived in accordance with Condition 10(C) below or cured by the Issuer or the Guarantor, as the case may be, prior to receipt of such written notice, such Notes shall become and be immediately due and payable at the Early Redemption Amount, together with the interest, if any, accrued on such Notes.

- (B) At any time after any Series of Notes has become due and payable following a declaration of acceleration made in accordance with this Condition 10 (*Events of Default*) and before a judgment or decree for payment of the money due with respect to such Notes has been obtained by any Noteholder, such declaration and its consequences may be rescinded and annulled upon the written consent of Noteholders of a majority in aggregate principal amount of such Notes then outstanding, or by resolution adopted by a majority in aggregate principal amount of such Notes outstanding present or represented at a meeting of Noteholders at which a quorum is present, as provided in the Agency Agreement, if:
 - (iii) (A) the Issuer has paid, or has deposited with the relevant clearing system, a sum sufficient to pay:
 - (1) all overdue amounts of interest on such Notes;
 - (2) the principal of such Notes which has become due otherwise than by such declaration of acceleration; or
 - (A) in the case of Notes to be redeemed by physical delivery, the Issuer has delivered the relevant assets to any agent appointed by the Issuer to deliver such assets to the Noteholders; and
 - (iv) all Events of Default with respect to such Notes, other than the non-payment of the principal of such Notes which has become due solely by such declaration of acceleration, have been cured or waived as provided in Condition 10(C) below.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

- (C) Any default by the Issuer or the Guarantor, other than the events described in Condition 10(A)(a) or Condition 10(A)(b), and other than an event described in Condition 10(A)(c) in respect of a covenant or provision of these Conditions which cannot be amended or modified without the passing of an Extraordinary Resolution of Noteholders, may be waived by the written consent of Noteholders of a majority in aggregate principal amount of such Notes then outstanding affected thereby, or by resolution adopted by a majority in aggregate principal amount of such Notes then outstanding present or represented at a meeting of Noteholders affected thereby at which a quorum is present, as provided in the Agency Agreement. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of the Agency Agreement, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

11. Replacement of Notes

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

12. **Paying Agents, Registrar and Calculation Agent**

(A) *Paying Agents and Registrar*

The names of the initial Paying Agent and the Registrar and their initial specified offices are set out below.

In the case of Swedish Notes, the Issuer has appointed the Swedish Paying Agent. The Swedish Paying Agent acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agency and trust with, the Holders.

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

- (a) there will at all times be a Principal Paying Agent and a Registrar (which, in the case of the Registrar, shall be an entity with a specified office outside the United Kingdom);
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent, which may be the Principal Paying Agent, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) so long as there is any Swedish Note outstanding, there will at all times be a Swedish Paying Agent who shall be duly authorised as an account operator and issuing agent (*Swedish: emissionsinstitut*) under the Swedish CSD Rules; and
- (d) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any variation, termination, appointment or change in the Paying Agents or the Registrar will be given to the Noteholders in accordance with Condition 13 (*Notices*).

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

(B) *Calculation Agent*

In relation to each issue of Notes, the Calculation Agent (whether it be Merrill Lynch International or another entity) acts solely as agent of the Issuer and the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Noteholders. All calculations and determinations made in respect of the Notes by the Calculation Agent shall be in its sole and absolute discretion (unless, in respect of the particular calculation or determination to be made, the Terms and Conditions provide that it shall be made in a "commercially reasonable manner"), in good faith, and shall (save in the case of wilful default, bad faith, manifest error or proven error) be final, conclusive and binding on the Issuer, the Guarantor, the Paying Agents and the Noteholders. The Calculation Agent shall promptly notify the Issuer and the Principal Paying Agent upon any such calculations and determinations, and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Paying Agents or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

13. Notices

All notices regarding the Notes will be deemed to be validly given:

- (a) if, in respect of notices to Holders of Definitive Registered Notes, mailed to them at their respective addresses in the Register. Such notices will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing; or
- (b) if, in respect of any Notes that are admitted to trading on the regulated market of and listed on the Official List of the Luxembourg Stock Exchange, published in a daily newspaper of general circulation in Luxembourg and/or on the website of the Luxembourg Stock Exchange (www.bourse.lu). 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.

In the case of Swedish Notes, all notices to Holders shall be valid if delivered by mail to the address registered for such Holder in the Swedish Register or otherwise in accordance with the rules and regulations of the Swedish CSD.

Until such time as any Individual Note Certificates 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, as the case may be, be substituted for such publication in such newspaper(s) (as described in Condition 13(b) (*Notices*)) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as applicable for communication by them to the Holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published 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 on which such notice was given to Euroclear and/or Clearstream, Luxembourg, as applicable.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with, in the case of any Definitive Registered Notes, the related Individual Note Certificate (if applicable), with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Holders of Notes of a particular Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of such Notes or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by the Issuer if required in writing by the Noteholders holding not less than 33 per cent. in nominal amount of the Notes of the affected Series for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons present and holding or representing in the aggregate not less than 50 per cent. in nominal amount of the Notes of the affected Series for the time being outstanding, or at any adjourned meeting one or more persons present whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the Entitlement or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes except, in each case, in accordance with these Conditions), the quorum

shall be one or more persons present and holding or representing not less than two-thirds in nominal amount of the Notes of the affected Series for the time being outstanding, or at any adjourned such meeting one or more persons present and holding or representing not less than one-third in nominal amount of the Notes of the affected Series for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders of the Notes of a particular Series shall be binding on all the Holders of Notes of such Series, whether or not they are present at the meeting.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, to:

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

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

15. **Further Issues**

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

If the Issuer issues further Notes of the same Series during the initial 40-day restricted period applicable to the outstanding Notes of such Series, then such 40-day period will be extended until 40 calendar days after the later of the commencement of the offering of such further issue of Notes and the Issue Date of such further issue of Notes. In addition, if the Issuer issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated with and form a single Series with the outstanding Notes.

16. **Consolidation or Merger**

The Issuer or the Guarantor may consolidate with, or sell or convey all or substantially all of its assets to, or merge with or into any other company provided that in any such case, (i) (a) in the case of the Issuer, either the Issuer shall be the continuing company, or the successor company shall expressly assume the due and punctual payment of all amounts or delivery of all assets, as the case may be, (including additional amounts as provided in Condition 8 (*Taxation*)) payable or deliverable, as applicable, with respect to the Notes, according to their tenor, and the due and punctual performance and observance of all of the obligations under the Conditions to be performed by the Issuer by an amendment to the Agency Agreement executed by, *inter alios*, such successor company, the Guarantor, the Registrar and the Principal Paying Agent, and (b) in the case of the Guarantor, the Guarantor shall be the continuing company, or the successor company shall be a company organised and existing under the laws of the United States or a state thereof or the District of Columbia and such successor company shall expressly assume the due and punctual payment of all amounts or delivery of all Underlying Assets, as the case may be, (including additional amounts as provided in Condition 8 (*Taxation*)) payable or deliverable, as applicable, with respect to the Guarantee by the execution of a new guarantee of like tenor and (ii) immediately after giving effect to such transaction, no Event of Default under Condition 10 (*Events of Default*), and no event which, with notice or lapse of time or both, would become such an Event of Default shall have happened and be continuing. In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor company, such successor company shall succeed to and be substituted for the Issuer or the Guarantor, as the case may

be, with the same effect as if it had been named herein as the Issuer or the Guarantor, as the case may be, and the Issuer or the Guarantor, as the case may be, except in the event of a conveyance by way of lease, shall be relieved of any further obligations under the Conditions, the Agency Agreement and the Guarantee, as applicable.

17. Business Days

In these Terms and Conditions, "**Business Day**" means a day which is both:

- (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 London, unless the applicable Final Terms specify "London Default Business Day" to be not applicable, and each Additional Business Centre specified in the applicable Final Terms, provided that if the Additional Business Centre is specified in the applicable Final Terms to be or to include "TARGET", then Business Day shall also be a day on which the TARGET2 System is operating; and
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro or CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is operating, or (3) in relation to any sum payable in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Settlement Centre.

18. Rounding

(A) Unless otherwise specified in the relevant Product Conditions, the Conditions and the relevant Underlying Asset Conditions, for the purposes of any calculations referred to therein:

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), or such other number of a percentage point as specified in the applicable Final Terms (with halves being rounded up or down as specified in the applicable Final Terms);
- (b) subject to paragraphs (c), (d), and (e) below, all figures shall be rounded to the seventh decimal place, or such other number of decimal places as specified in the applicable Final Terms (with halves being rounded up or down as specified in the applicable Final Terms);
- (c) all USD amounts resulting from such calculations or that fall due and payable will be rounded to the nearest cent (with one half cent being rounded up), or such other unit of USD as specified in the applicable Final Terms (with halves being rounded up or down as specified in the applicable Final Terms);
- (d) all Japanese Yen amounts resulting from such calculations or that fall due and payable will be rounded downwards to the next lower whole Japanese Yen amount, or such other unit of Japanese Yen amount as specified in the applicable Final Terms (with halves being rounded up or down as specified in the applicable Final Terms); and
- (e) all amounts denominated in any other currency resulting from such calculations or that fall due and payable will be rounded to the nearest sub-unit of such currency (half a sub-unit being rounded upwards) and for this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent, or in any case, such other unit or sub-unit of such currency as specified in the applicable

Final Terms (with halves being rounded up or down as specified in the applicable Final Terms).

- (B) If any amount, value, level or price (including any amount, figure or percentage resulting from any calculations referred to in the Product Conditions, the Conditions and the relevant Underlying Asset Conditions) is expressed as an absolute figure and also as a percentage in the applicable Final Terms and there is any inconsistency between (a) such absolute figure, and (b) such percentage, then the absolute figure shall prevail for the purposes of the Product Conditions, the Conditions and the relevant Underlying Asset Conditions.

If any amount, value, level or price (including any amount, figure or percentage resulting from any calculations referred to in the Product Conditions, the Conditions and the relevant Underlying Asset Conditions) is expressed as an absolute figure in the applicable Final Terms, then it shall be deemed that such amount, value, level or price has been rounded to the relevant number of decimal place(s), unit or sub-unit of currency as specified in paragraph (A) above, and if there is any inconsistency between: (i) the absolute figure specified in the applicable Final Terms, and (ii) any amount resulting from any calculation made in accordance with the Product Conditions, the Conditions and the relevant Underlying Asset Conditions (as applicable), then the absolute figure shall prevail for the purposes of the Product Conditions, the Conditions and the relevant Underlying Asset Conditions.

- (C) Notwithstanding anything to the contrary in the Conditions or the Agency Agreement, each calculation of an amount payable in cash in respect of Notes (other than Definitive Registered Notes) shall be based on the aggregate nominal amount or number of all such Notes outstanding on such date (or the relevant affected portion thereof), rounded in accordance with the method provided in paragraph (A) above and distributed in accordance with the Relevant Rules.

"**Relevant Rules**" means the terms and conditions, rules, regulations or other procedures governing the use of Clearstream, Luxembourg, Euroclear and/or the Swedish CSD, as may be amended, updated or replaced from time to time.

19. **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, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. **Governing Law and Submission to Jurisdiction**

(A) *Governing law*

The Agency Agreement, the Notes Deed of Covenant and the Notes and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes Deed of Covenant and the Notes (including without limitation any dispute, controversy, proceedings or claim of whatever nature (whether contractual, non-contractual or otherwise) arising out of or in any way relating to the Agency Agreement, the Notes Deed of Covenant and the Notes or their respective formation) shall be governed by, and construed in accordance with, English law.

The Guarantee is governed by, and shall be construed in accordance with, the laws of the State of New York.

(B) *Submission to jurisdiction*

In relation to any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**"), the courts of England have exclusive jurisdiction and the Issuer and the Noteholders submit to the exclusive jurisdiction of the English courts. The Issuer and the Noteholders waive any objection to Proceedings in the English courts on the grounds of venue or that the Proceedings have been brought in an inconvenient forum.

For greater certainty, the Guarantor has not submitted to the jurisdiction of the English courts in the Guarantee, and claims under the Guarantee are required to be instituted in the U.S. federal court in the Borough of Manhattan in the City and State of New York.

(C) *Appointment of Process Agent*

The Issuer hereby appoints Merrill Lynch Corporate Services Limited currently at 2 King Edward Street, London EC1A 1HQ as its agent in England to receive service of process in any Proceedings in England. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent and to notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

FORM OF FINAL TERMS OF THE W&C INSTRUMENTS

[Date]

[MERRILL LYNCH B.V.] [MERRILL LYNCH INTERNATIONAL & CO. C.V.]¹

Issue of [Title of W&C Instruments]

under the Merrill Lynch B.V. and Merrill Lynch International & Co. C.V.
Note, Warrant and Certificate Programme[unconditionally and irrevocably guaranteed as to payment and delivery obligations by
Bank of America Corporation]²

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the base prospectus dated 10 August 2015 (the "**Base Prospectus**") [as supplemented by the supplement[s] to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the W&C Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as supplemented]. Full information on the Issuer[, the Guarantor] and the offer of the W&C Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. A summary of the W&C Instruments (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing during normal business hours at the registered office of the Issuer and at the specified offices of the Instrument Agents for the time being in London and [Chicago/Frankfurt/Stockholm/Helsinki] and copies may be obtained from 2 King Edward Street, London EC1A 1HQ. [The Final Terms will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

[For tranches of W&C Instruments to be issued under this Base Prospectus which are to be fungible with one or more tranches of W&C Securities issued under the March 2013 Base Prospectus or the March 2014 Base Prospectus, the form of Final Terms will be the March 2013 W&C Securities Final Terms or the March 2014 W&C Securities Final Terms, as applicable, as incorporated by reference herein, save as provided in paragraph 13 (Fungible Issuances) of the section entitled "General Information" herein.]

[References in the Base Prospectus to "Instruments" and related references (including, but not limited to, "W&C Instruments" and "Instrument Agents") shall, for the purposes of the issue of the W&C Instruments, save where the context otherwise requires, be deemed to be references to "Securities" (including "W&C Securities" and "Security Agents").]³

[Include whichever of the following apply or specify as "Not Applicable"]

SPECIFIC PROVISIONS FOR EACH SERIES

Series Number	[No.] [Aggregate Notional Amount] of W&C Instruments issued	[No. of Warrants per Unit]	ISIN	Common Code	[Wertpapier-kennnummer (WKN) (German Security Code)]	[Mnemonic (insert in the case of a listing on Euronext Paris S.A.)]	Issue Price per [W&C Instrument/Unit (in the case of Warrants only)]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

¹ Merrill Lynch B.V. may only issue Certificates. Merrill Lynch International & Co. C.V. may issue Warrants or Certificates.

² Include only for Instruments which are not Secured W&C Instruments.

³ Include for tranches of W&C Instruments to be issued under the Base Prospectus which are to be fungible with one or more tranches of W&C Instruments issued under the March 2013 Base Prospectus or the March 2014 Base Prospectus.

1. Consolidation: [Not Applicable] [The W&C Instruments are to be consolidated and form a single Series with the [insert title of relevant series of W&C Instruments] issued on [insert issue date]] (N.B. Only applicable in relation to W&C Instruments which are fungible with an existing series of W&C Instruments)
2. Type of W&C Instruments:
 - (a) [Warrants] [Certificates]
 - (b) [Index Linked W&C Instruments]
[and] [Share Linked W&C Instruments]
[and] [GDR/ADR Linked W&C Instruments]
[and] [Fund Linked W&C Instruments]
[and] [Instruments Linked to Basket of Hybrid Assets]
3. Trade Date: [●] [Following Business Day Adjustment]
In respect of Rule 144A Warrants and Regulation S/Rule 144A Warrants only: [The time of the transaction by each initial purchaser is available upon written request to Merrill Lynch, Pierce, Fenner & Smith Incorporated.]
4. Strike Date: [●] [The date set out under the heading "Strike Date" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below in the row corresponding to [an Asset/an Index/a Share/an ETF/a Fund]] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - (a) Strike Date is Adjusted as an Observation Date: [Applicable] [Not Applicable]
 - (b) Strike Date is Adjusted as a Valuation Date: [Applicable] [Not Applicable]
5. Issue Date: [●]
6. Exercise Date: [[●] [Exercise Date is Business Day Adjusted]] (N.B. Only applicable in relation to European Style Warrants and Certificates) [Not Applicable] *[if not applicable or Exercise Date is not specified to be Business Day Adjusted, then may delete the following sub-paragraph]*
[– Exercise Date Business Day Convention:] [Following Business Day Convention] [Modified Following Business Day Convention] [Nearest] [Preceding Business Day Convention]
7. Settlement Date: [●] [As specified in LEPW Condition 9] (N.B. For Share Linked Instruments in respect of which the

applicable Final Terms specify that the "LEPW Conditions" shall be applicable)

8. [Number] [Aggregate Notional Amount] of W&C Instruments being issued: The number of W&C Instruments being issued is set out in "Specific Provisions for each Series" above
9. Issue Price: [The issue price per [W&C Instrument] [Unit (*in relation to Warrants only*))] is set out in "Specific Provisions for each Series" above] [[●] per cent. of Aggregate Notional Amount]
10. Business Day Centre(s): [●]
11. Settlement: [Cash Settled W&C Instruments] [and/or] [Physical Delivery W&C Instruments]

(N.B. Swedish W&C Instruments, Finnish W&C Instruments and Rule 144A Warrants may only be Cash Settled)
12. Issuer's Option to Vary Settlement: [Applicable] [Not Applicable] [*if not applicable, then may delete the following sub-paragraph*]

- Failure to Deliver due to Illiquidity: [Applicable] [Not Applicable]
13. Settlement Currency: [●]
14. Calculation Agent: [Merrill Lynch International] [*specify other*]

PROVISIONS RELATING TO WARRANTS

15. Type of Warrants: [European Style] [American Style] [Not Applicable]

(N.B. Swedish Warrants and Finnish Warrants may only be European Style)

If American Style is applicable and LEPW Conditions are not applicable:

[The Exercise Period in respect of the Warrants is from and including [●] to and including [●] [, or if [●] is not an Exercise Business Day, the immediately succeeding Exercise Business Day]]

If American Style and LEPW Conditions are applicable:

[The Exercise Period in respect of the Warrants is specified in the LEPW Condition 8]
16. Units: [Warrants must be exercised in Units. Each Unit consists of the number of Warrants set out in "Specific Provisions for each Series" above. *(N.B. This is in addition to any requirements relating to "Minimum Exercise Number" or "Maximum Exercise Number" set out below)*] [Not Applicable]

17. Exercise Price: [The Exercise Price per [Warrant] [Unit] is [●]]
[Not Applicable]
(N.B. This should, in the case of Index Linked Warrants, be expressed as a monetary value)
18. Automatic Exercise: [Applicable] [Not Applicable]
(N.B. Automatic exercise will always apply to Swedish Warrants and Finnish Warrants)
19. Minimum Exercise Number: [[●]] [Not Applicable]
20. Maximum Exercise Number: [[●]] [Not Applicable] *(N.B. Not applicable for European Style Warrants)*
21. Notional Amount per Warrant: [●] [Not Applicable]

PROVISIONS RELATING TO CERTIFICATES

22. Notional Amount per Certificate [●] [Not Applicable]

PROVISIONS RELATING TO W&C INSTRUMENTS

23. Additional Amounts Conditions: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
(N.B. Additional Amounts are not applicable for Finnish Certificates, Finnish Warrants, Share Linked W&C Instruments in respect of which the "LEPW Conditions" are applicable and W&C Instruments in respect of which the "Target Volatility Conditions" are applicable)
- (a) Additional Amount Cut-Off Date (for the purposes of W&C Instruments Product Condition 4.1): [Exercise Date] [Settlement Date] *[specify other date]*
- (b) Periodic Additional Amounts: [Applicable] [Not Applicable] *[if Periodic Additional Amounts is not applicable, then may delete the following sub-paragraphs]*
- (v) Additional Amount Commencement Date: [Issue Date] [●]
- (vi) Notional Amount per W&C Instrument: [●]
- (vii) Additional Amount Rate: [[●] per cent. per annum]
- (viii) Additional Amount Rate Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
- (ix) Additional Amount Period: [Adjusted] / [Unadjusted]
- (x) Additional Amount Reference [Each] [Observation Date] [Mandatory Early Exercise Reference Date] [and] [each/the]

- Date(s): [Valuation Date] *[insert other date(s) if applicable]* [(further particulars specified below)]
- [Each date set out under the heading "Additional Amount Reference Date(s)" in "Additional Amount Table" below] *(N.B. Insert if the Additional Amount Table is required)*
- [Not Applicable]
- (xi) Additional Amount Payment Date(s): [In respect of: (a) each Additional Amount Reference Date other than the Final Additional Amount Reference Date, the [tenth] [●] Business Day following [the Latest Reference Date in respect of] such Additional Amount Reference Date and (b) the Final Additional Amount Reference Date, the Settlement Date.]
- [Final Additional Amount Reference Date:** [The Additional Amount Reference Date scheduled to fall on *[insert date of last Additional Amount Reference Date]* / [Final Reference Date] / *[insert other date if applicable]*]
- [Each date set out under the heading "Additional Amount Payment Date(s)" in "Additional Amount Table" below] *(N.B. Insert if the Additional Amount Table is required)*
- [insert date(s)]*
- (c) Fixed Additional Amount: [Applicable] [Not Applicable] *[if Fixed Additional Amount is not applicable, then may delete the following sub-paragraphs]*
- (i) Specified Additional Amount: [●] [Not Applicable]
- (ii) Reference Amount: [●] [Not Applicable]
- (iii) Additional Amount Percentage: [●] [Not Applicable]
- (iv) Additional Amount Reference Date(s): [Each] [Observation Date] [Mandatory Early Exercise Reference Date] [and] [each/the] [Valuation Date] *[insert other date(s) if applicable]* [(further particulars specified below)]
- [Each date set out under the heading "Additional Amount Reference Date(s)" in "Additional Amount Table" below] *(N.B. Insert if the Additional Amount Table is required)*
- [Not Applicable]
- (v) Additional Amount Payment Date(s): [In respect of: (a) each Additional Amount Reference Date other than the Final Additional Amount Reference Date, the [tenth] [●] Business Day following [the Latest Reference Date in respect of] such Additional Amount Reference Date and (b) the Final Additional Amount Reference Date, the Settlement Date.]
- [Final Additional Amount Reference Date:** [The

Additional Amount Reference Date scheduled to fall on *[insert date of last Additional Amount Reference Date]* / [Final Reference Date] / *[insert other date if applicable]*

[Each date set out under the heading "Additional Amount Payment Date(s)" in "Additional Amount Table" below] (*N.B. Insert if the Additional Amount Table is required*)

[insert date(s)]

- (d) Additional Amount Event Conditions: [Applicable] [Not Applicable] *[if Additional Amount Event is not applicable, then may delete the following sub-paragraphs]*
- (i) Additional Cumulative Amount: [Applicable] [Not Applicable] *[if Additional Cumulative Amount is not applicable, then may delete the following sub-paragraphs]*
- (A) Reference Amount: [●]
- (B) Additional Amount Percentage: [●]
- (ii) Additional Non-Cumulative Amount: [Applicable] [Not Applicable] *[if Additional Non-Cumulative Amount is not applicable, then may delete the following sub-paragraphs]*
- (A) Reference Amount: [●]
- (B) Additional Amount Percentage: [●]
- (C) Additional Amount Multiplier: [In respect of each Additional Amount Reference Date, [●] [per cent.] [the amount specified in the column entitled "Additional Amount Multiplier" of the Additional Amount Table in the row corresponding to the date (specified in the column entitled "Additional Amount Reference Date(s)") on which such Additional Amount Reference Date is scheduled to fall]] [Not Applicable] (*N.B. Insert the Additional Amount Table if required*)
- (iii) Additional Amount Event: Additional Amount Event [(Single Asset) / (Worst of Basket) / (Basket)]: for the purposes of the definition of "Additional Amount Event" in the W&C Instruments Product Condition 4.3, "[less than or equal to] [greater than or equal to] [less than] [greater than] Additional Amount Threshold" applicable]
- Additional Amount Threshold: [In respect of each Additional Amount Reference Date,] [●] [the amount specified in the column entitled "Additional Amount Threshold" of the Additional Amount Table in the row corresponding to the date (specified in the column entitled "Additional Amount Reference Date(s)") on which such Additional Amount Reference Date is scheduled to fall] (*N.B. Insert the Additional Amount Table if required*)

- [In respect of each Asset, the amount specified in the column entitled "Additional Amount Threshold" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below] (*N.B. Insert if applicable*)
- (iv) Additional Amount Reference Date(s): [Each] [Observation Date] [Mandatory Early Exercise Reference Date] [and] [each/the] [Valuation Date] [*insert other date(s) if applicable*] [(further particulars specified below)]
- [Each date set out under the heading "Additional Amount Reference Date(s)" in "Additional Amount Table" below] (*N.B. Insert the Additional Amount Table*)
- (v) Additional Amount Payment Date(s): [In respect of: (a) each Additional Amount Reference Date other than the Final Additional Amount Reference Date, the [tenth] [●] Business Day following [the Latest Reference Date in respect of] such Additional Amount Reference Date and (b) the Final Additional Amount Reference Date, the Settlement Date.]
- [Final Additional Amount Reference Date:** [The Additional Amount Reference Date scheduled to fall on [*insert date of last Additional Amount Reference Date*] / [Final Reference Date] / [*insert other date if applicable*]]
- [Each date set out under the heading "Additional Amount Payment Date(s)" in "Additional Amount Table" below] (*N.B. Insert if the Additional Amount Table is required*)
- [*insert other date(s)*]
- (e) Range Accrual Additional Amount: [Applicable] [Not Applicable] [*if Range Accrual Additional Amount is not applicable, then may delete the following sub-paragraphs*]
- (i) Reference Amount: [●]
- (ii) Additional Amount Accrual Rate: [●] per cent. [per annum]
- (iii) Accrual Event: Accrual Event [(Single Asset) / (Basket) / (Worst of Basket)]; for the purposes of the definition of "Accrual Event [(Single Asset) / (Basket) / (Worst of Basket)]" in W&C Instruments Product Condition 4.3, "[less than or equal to] [greater than or equal to] [less than] [greater than] Accrual Level" applicable]
- (A) Initial Value (for the purposes of the definition of "Accrual Basket Value" in W&C Instruments Product Condition 4.3): [Initial Closing Value] [Initial Average Value] [Initial Strike Value] [Not Applicable] (*N.B. Insert if Accrual Event (Basket) applies*)

- (B) Initial Averaging Dates: *[insert dates]* [Each Averaging Date] [(further particulars specified below)] [Not Applicable]
- (iv) Accrual Level: [●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Accrual Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
- (v) Accrual Period: [Extension] [No Extension]
- (A) Additional Amount Reference Date: [Strike Date] [and] [each] [Observation Date] [and] [Valuation Date] [Final Reference Date] *[insert other applicable date(s)]*
- [Not Applicable]
- Accrual Period Commencement Date: [Strike Date] *[insert other date]* [Not Applicable]
- (B) Accrual Period Start Date: [Strike Date] [and] [each] [Observation Date] [and] [the Valuation Date] *[insert other applicable date(s)]* [[Including]/[Excluding]]
- [Each date set out under the heading "Accrual Period Start Date(s)" in "Accrual Period Table" below]
- [Not Applicable]
- (C) Accrual Period End Date: [Each] [Observation Date] [and] the [Valuation Date] [Final Reference Date] *[insert other applicable date(s)]* [[Including]/[Excluding]]
- [Each date set out under the heading "Accrual Period End Date(s)" in "Accrual Period Table" below]
- [Not Applicable]
- (vi) Additional Amount Payment Date(s): [In respect of: (a) each Additional Amount Reference Date (other than the Final Additional Amount Reference Date), [●] Business Day following [the Latest Reference Date in respect of] such Additional Amount Reference Date and (b) the Final Additional Amount Reference Date, the Settlement Date.
- [Final Additional Amount Reference Date:** [The Additional Amount Reference Date scheduled to fall on *[insert date of last Additional Amount Reference Date]*] / [Final Reference Date] / *[insert other date if applicable]*]
- [In respect of: (a) each Accrual Period End Date (other than the Final Accrual Period End Date), [●] Business Day following [the Latest Reference Date in respect of] such Accrual Period End Date and (b) the Final Accrual Period End Date, the Settlement Date.

Final Accrual Period End Date: [The Accrual Period End Date scheduled to fall on *[insert date of last Accrual Period End Date]* / [Final Reference Date]] (*N.B. Insert if Additional Amount Payment Dates are not listed in the Accrual Period Table below*)

[In respect of each Accrual Period End Date, each date specified in the column entitled "Additional Amount Payment Date(s)" of the "Accrual Period Table" below in the row corresponding to the date (specified in the column entitled "Accrual Period End Date(s)") on which such Accrual Period End Date is scheduled to fall] (*N.B. Insert if required*)

[insert date(s)]

[Accrual Period Table] (N.B. Insert if required where Range Accrual Additional Amount is applicable)			
Accrual Period Start Date(s)	Accrual Period End Date(s)	[Additional Amount Payment Date(s)]	
[insert date] (repeat as required) ([Including/Excluding])	[insert date] (repeat as required) ([Including/Excluding])	[insert date] (repeat as required)	
[Additional Amount Table] (N.B. Insert if required)			
Additional Amount Reference Date(s)	Additional Amount Payment Date(s)	[Additional Amount Threshold]	[Additional Amount Multiplier]
[insert date] (repeat as required)	[insert date] (repeat as required)	[●](repeat as required)	[●](repeat as required)

24. Mandatory Early Exercise: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (a) Mandatory Early Exercise Event: Mandatory Early Exercise Event [(Single Asset) / (Worst of Basket) / (Basket)]: for the purposes of the definition of "Mandatory Early Exercise Event" in W&C Instruments Product Condition 3, "[less than or equal to] [greater than or equal to] [less than] [greater than] Mandatory Early Exercise Trigger" applicable]
- (b) Mandatory Early Exercise Reference Date(s): [Each] [Observation Date] [and] [each/the] [Valuation Date] *[insert other date(s) if applicable]* [(further particulars specified below)]
- [Each date set out under the heading "Mandatory Early Exercise Reference Date(s)" in "Mandatory Early Exercise Table" below] (*N.B. Insert Mandatory Early Exercise Table*)
- (c) Mandatory Early Exercise Cash Settlement Amount: [●] [zero]
- (d) Additional Amount (Mandatory Early Exercise): [Applicable] [Not Applicable]
- (i) Reference Amount: [●] [Not Applicable]
- (ii) Additional Percentage: [●] [Not Applicable]

- (iii) t: [●] [In respect of each Mandatory Early Exercise Reference Date, the value specified in the column entitled "t" of the Mandatory Early Exercise Table in the row corresponding to the date (specified in the column entitled "Mandatory Early Exercise Reference Date(s)") on which such Mandatory Early Exercise Reference Date is scheduled to fall] *(N.B. Insert Mandatory Early Exercise Table)*
- (e) Mandatory Early Exercise Cash Settlement Date: [[Tenth] [●] Business Day[s] after the Mandatory Early Exercise Date]
- (f) Mandatory Early Exercise Trigger: [●] [In respect of each Mandatory Early Exercise Reference Date, the amount as specified in the column entitled "Mandatory Early Exercise Trigger" of the Mandatory Early Exercise Table in the row corresponding to the date (specified in the column entitled "Mandatory Early Exercise Reference Date(s)") on which such Mandatory Early Exercise Reference Date is scheduled to fall] *(N.B. Insert Mandatory Early Exercise Table)*
- [In respect of each Asset, the amount specified in the column entitled "Mandatory Early Exercise Trigger" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below] *(N.B. Insert if applicable)*

[Mandatory Early Exercise Table] <i>(N.B. Insert if required)</i>		
Mandatory Early Exercise Reference Date(s)	[Mandatory Early Exercise Trigger]	[t]
[●]	[●]	[●]
[●]	[●]	[●]

PRODUCT PROVISIONS

25. Cash Settlement Amount:
- (a) CSA 1: [Applicable] [Not Applicable] *[if not applicable, then may delete the following subparagraphs]*
- Single Asset: [Applicable] [Not Applicable]
 - Worst of Basket: [Applicable] [Not Applicable]
 - Basket: [Applicable] [Not Applicable]
- (i) Reference Amount: [●]
- (ii) Final Value: [Final Closing Value] [Final Average Value]
- (iii) Initial Value: [Initial Closing Value] [Initial Average Value] [Initial Strike Value]
- (iv) Final Reference Date: [Valuation Date] [Observation Date] *[insert date]* [Not Applicable] (further particulars specified below)
- (v) Final Averaging Dates: *[insert dates]* [Each Averaging Date] [Not Applicable] (further particulars specified below)

- below)
- (vi) Initial Averaging Dates: *[insert dates]* [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (vii) Barrier Event: Applicable - for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
- (A) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- Observation Period Start Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- Observation Period End Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- (B) Barrier Reference Value: [[Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Worst Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, Market Disruption Event is [not] taken into account] [Average Value] [Barrier Basket Value] [Barrier Asset Performance] [Barrier Worst Asset Performance]]
- Barrier Asset Value: [Barrier Closing Value] [Barrier Average Value] [Not Applicable]
- (C) Barrier Event Determination Day: [Barrier Period] [Barrier Date(s)] applicable
- Specified Barrier Event Determination Day (closing): [●] [Not Applicable]
- Specified Barrier Event Determination Day (intraday): [●] [Not Applicable]
- Specified Barrier Event Determination Day: [Valuation Date] [each Averaging Date] [●] [Not Applicable]
- (D) Barrier Level: [●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
- (viii) Cap: [●] [Not Applicable]

(b)	CSA 2:	[Applicable] [Not Applicable] [<i>if not applicable, then may delete the following subparagraphs</i>]
(i)	Reference Amount:	[●]
(ii)	T:	[●]
(iii)	Additional Percentage:	[●]
(iv)	FX:	[Applicable] [Not Applicable]
(A)	FX Reference Date:	[●] FX Business Day [s] immediately following the] [Adjusted Final Asset Valuation Date] [Latest Reference Date in respect of the Final Asset Valuation Date [<i>insert other date</i>]
(B)	Final Asset Valuation Date:	[Valuation Date] [Last Valuation Date] [Observation Date] [Last Observation Date] [Last Averaging Date] [<i>insert other date</i>]
(C)	FX Initial Reference Date:	[[●] FX Business Day[s] immediately following the] [Adjusted Initial Asset Valuation Date] [Latest Reference Date in respect of the Initial Asset Valuation Date] [<i>insert other date</i>]
(D)	Initial Asset Valuation Date:	[Strike Date] [Last Initial Averaging Date] [<i>insert other date</i>]
(v)	Barrier Event:	Applicable - for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
(A)	Observation Period:	[Applicable: [Extension] [No Extension]] [Not Applicable]
-	Observation Period Start Date:	[[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
-	Observation Period End Date:	[[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
(B)	Barrier Reference Value:	[[Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Worst Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, Market Disruption Event is [not] taken into account] [Average Value] [Barrier Basket Value] [Barrier Asset Performance] [Barrier Worst Asset Performance]]
-	Barrier Asset Value:	[Barrier Closing Value] [Barrier Average Value] [Not Applicable]

	(C)	Barrier Event Determination Day:	[Barrier Period] [Barrier Date(s)] applicable
	-	Specified Barrier Event Determination Day (closing):	[●] [Not Applicable]
	-	Specified Barrier Event Determination Day (intraday):	[●] [Not Applicable]
	-	Specified Barrier Event Determination Day:	[Valuation Date] [each Averaging Date] [●] [Not Applicable]
	(D)	Barrier Level:	[●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
(c)	CSA 3:		[Applicable] [Not Applicable] [<i>if not applicable, then may delete the following subparagraphs</i>]
	-	Single Asset:	[Applicable] [Not Applicable]
	-	Worst of Basket:	[Applicable] [Not Applicable]
	-	Basket:	[Applicable] [Not Applicable]
	(i)	Reference Amount:	[●]
	(ii)	Strike Amount:	[●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Strike Amount" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below] [Not Applicable]
	(iii)	Basket Strike Value:	[●] [per cent.] [Not Applicable]
	(iv)	T:	[●]
	(v)	Additional Percentage:	[●]
	(vi)	Trigger Event:	Applicable - for the purposes of the definition of "Trigger Event" in W&C Instruments Product Condition 1.3(b), ["Final Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] Strike Amount" applicable] / ["Final Basket Value [less than or equal to] [greater than or equal to] [less than] [greater than] Basket Strike Value" applicable]
	(vii)	Final Value:	[Final Closing Value] [Final Average Value]
	(viii)	Initial Value:	[Initial Closing Value] [Initial Average Value] [Initial Strike Value]

- (ix) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)
- (x) Final Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (xi) Initial Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (xii) Barrier Event: Applicable - for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
- (A) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- Observation Start Date: Period [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- Observation End Date: Period [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- (B) Barrier Reference Value: [[Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Worst Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, Market Disruption Event is [not] taken into account] [Average Value] [Barrier Basket Value] [Barrier Asset Performance] [Barrier Worst Asset Performance]]
- Barrier Asset Value: [Barrier Closing Value] [Barrier Average Value] [Not Applicable]
- (C) Barrier Event Determination Day: [Barrier Period] [Barrier Date(s)] applicable
- Specified Barrier Event Determination Day (closing): [●] [Not Applicable]
- Specified Barrier Event Determination Day (intraday): [●] [Not Applicable]
- Specified Barrier Event Determination Day: [Valuation Date] [each Averaging Date] [●] [Not Applicable]
- (D) Barrier Level: [●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific

Information relating to the Underlying Asset(s)" below]

- (d) (xiii) Cap: [●] [Not Applicable]
- CSA 4: [Applicable] [Not Applicable] *[if not applicable, then may delete the following subparagraphs]*
- (i) Reference Amount: [●]
- (ii) Final Value: [Final Closing Value] [Final Average Value]
- (iii) Initial Value: [Initial Closing Value] [Initial Average Value] [Initial Strike Value]
- (iv) Final Reference Date: [Valuation Date] [Observation Date] *[insert date]* [Not Applicable] (further particulars specified below)
- (v) Final Averaging Dates: *[insert dates]* [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (vi) Initial Averaging Dates: *[insert dates]* [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (vii) Participation: [●]
- (viii) Strike: [●]
- (ix) FX: [Applicable] [Not Applicable]
- (A) FX Reference Date: [[●] FX Business Day[s] immediately following the] [Adjusted Final Asset Valuation Date] [Latest Reference Date in respect of the Final Asset Valuation Date] *[insert other date]*
- (B) Final Asset Valuation Date: [Valuation Date] [Last Valuation Date] [Observation Date] [Last Observation Date] [Last Averaging Date] *[insert other date]*
- (C) FX Initial Reference Date: [[●] FX Business Day[s] immediately following the] [Adjusted Initial Asset Valuation Date] [Latest Reference Date in respect of the Initial Asset Valuation Date] *[insert other date]*
- (D) Initial Asset Valuation Date: [Strike Date] [Last Initial Averaging Date] *[insert other date]*
- (x) Exchange Rate Conditions: [Applicable] [Not Applicable]
- (xi) Base Currency: [●]
- (xii) Subject Currency: [●]
- (xiii) Currency Price: [Applicable] [Not Applicable]
- FX Specified Price: [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]

		[Not Applicable]
	- FX Price Source(s):	[●]
	- FX Valuation Time:	[●]
(xiv)	Derived Exchange Rate:	[Applicable] [Not Applicable] <i>[if not applicable, then may delete the following subparagraphs]</i>
	- Reference Currency:	[●]
	- RC/BC Price Source:	[●]
	- RC/BC Valuation Time:	[●]
	- RC/SC Price Source:	[●]
	- RC/SC Valuation Time:	[●]
(xv)	Specified Rate:	[Applicable: For the purposes of the definition of "Specified Rate" in W&C Instruments Product Condition 5 (<i>Other Definitions</i>), an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]] [Not Applicable]
(xvi)	Specified Financial Centre(s):	[●]
(xvii)	Corrections to Published and Displayed Rates:	[Applicable] [Not Applicable]
(xviii)	Successor Currency:	[Applicable] [Not Applicable] <i>[If not applicable, then may delete the following subparagraph]</i>
	- Successor Currency Reference Date:	[Strike Date] <i>[specify other date]</i> [Not Applicable]
(xix)	Rebasing:	[Applicable] [Not Applicable]
(e)	CSA 5:	[Applicable] [Not Applicable] <i>[if not applicable, then may delete the following subparagraphs]</i>
	(i) Reference Amount:	[●]
	(ii) v:	[●]
	(iii) C:	[●]
	(iv) N:	[●]
	(v) Basket Weight:	[●]
	(vi) Participation:	[●]
	(vii) Out Of The Money Level (OTM):	[●]

- (viii) Final Value: [Final Closing Value] [Final Average Value]
- (ix) Initial Value: [Initial Closing Value] [Initial Average Value]
[Initial Strike Value]
- (x) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)
- (xi) Final Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (xii) Initial Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (xiii) FX: [Applicable] [Not Applicable]
- (A) FX Reference Date: [[●] FX Business Day[s] immediately following the] [Adjusted Final Asset Valuation Date] [Latest Reference Date in respect of the Final Asset Valuation Date] [*insert other date*]
- (B) Final Asset Valuation Date: [Valuation Date] [Last Valuation Date] [Observation Date] [Last Observation Date] [Last Averaging Date] [*insert other date*]
- (C) FX Initial Reference Date: [[●] FX Business Day[s] immediately following the] [Adjusted Initial Asset Valuation Date] [Latest Reference Date in respect of the Initial Asset Valuation Date] [*insert other date*]
- (D) Initial Asset Valuation Date: [Strike Date] [Last Initial Averaging Date] [*insert other date*]
- (xiv) Exchange Rate Conditions: [Applicable] [Not Applicable]
- (xv) Base Currency: [●]
- (xvi) Subject Currency: [●]
- (xvii) Currency Price: [Applicable] [Not Applicable]
- FX Specified Price: [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] [Not Applicable]
- FX Price Source(s): [●] [Not Applicable]
- FX Valuation Time: [●] [Not Applicable]
- (xviii) Derived Exchange Rate: [Applicable] [Not Applicable]
- Reference Currency: [●] [Not Applicable]
- RC/BC Price Source: [●] [Not Applicable]
- RC/BC Valuation Time: [●] [Not Applicable]

- RC/SC Price Source: ☐ [Not Applicable]
- RC/SC Valuation Time: ☐ [Not Applicable]
- (xix) Specified Rate: [Applicable: For the purposes of the definition of "Specified Rate" in W&C Instruments Product Condition 5 (*Other Definitions*), an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]] [Not Applicable]
- (xx) Specified Financial Centre(s): ☐
- (xxi) Corrections to Published and Displayed Rates: [Applicable] [Not Applicable]
- (xxii) Successor Currency: [Applicable] [Not Applicable]
 - Successor Currency Reference Date: [Strike Date] [*specify other date*] [Not Applicable]
- (xxiii) Rebasing: [Applicable] [Not Applicable]
- (f) CSA 6: [Applicable] [Not Applicable] [*if not applicable, then may delete the following subparagraphs*]
 - (i) Reference Amount: ☐
 - (ii) Participation: ☐
 - (iii) Additional Amount Percentage (AAP): ☐
 - (iv) v: ☐
 - (v) C: ☐
 - (vi) N: ☐
 - (vii) N_{AAPD} : ☐
 - (viii) Basket Weight: ☐
 - (ix) Final Value: [Final Closing Value] [Final Average Value]
 - (x) Initial Value: [Initial Closing Value] [Initial Average Value] [Initial Strike Value]
 - (xi) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)
 - (xii) Final Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
 - (xiii) Initial Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below) ***

- (xiv) FX: [Applicable] [Not Applicable]
- (A) FX Reference Date: [[●] FX Business Day[s] immediately following the] [Adjusted Final Asset Valuation Date] [Latest Reference Date in respect of the Final Asset Valuation Date] [*insert other date*]
- (B) Final Asset Valuation Date: [Valuation Date] [Last Valuation Date] [Observation Date] [Last Observation Date] [Last Averaging Date] [*insert other date*]
- (C) FX Initial Reference Date: [[●] FX Business Day[s] immediately following the] [Adjusted Initial Asset Valuation Date] [Latest Reference Date in respect of the Initial Asset Valuation Date] [*insert other date*]
- (D) Initial Asset Valuation Date: [Strike Date] [Last Initial Averaging Date] [*insert other date*]
- (xv) Exchange Rate Conditions: [Applicable] [Not Applicable]
- (xvi) Base Currency: [●]
- (xvii) Subject Currency: [●]
- (xviii) Currency Price: [Applicable] [Not Applicable]
- FX Specified Price: [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] [Not Applicable]
- FX Price Source(s): [●] [Not Applicable]
- FX Valuation Time: [●] [Not Applicable]
- (xix) Derived Exchange Rate: [Applicable] [Not Applicable]
- Reference Currency: [●] [Not Applicable]
- RC/BC Price Source: [●] [Not Applicable]
- RC/BC Valuation Time: [●] [Not Applicable]
- RC/SC Price Source: [●] [Not Applicable]
- RC/SC Valuation Time: [●] [Not Applicable]
- (xx) Specified Rate: [Applicable: For the purposes of the definition of "Specified Rate" in W&C Instruments Product Condition 5 (*Other Definitions*), an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]] [Not Applicable]
- (xxi) Specified Financial Centre(s): [●]
- (xxii) Corrections to Published and Displayed Rates: [Applicable] [Not Applicable]

- (xxiii) Successor Currency: [Applicable] [Not Applicable]
- Successor Currency Reference Date: [Strike Date] [*specify other date*] [Not Applicable]
- (xxiv) Rebasing: [Applicable] [Not Applicable]
- (g) CSA 7: [Applicable] [Not Applicable] [*if not applicable, then may delete the following subparagraphs*]
- Single Asset: [Applicable] [Not Applicable]
- Worst of Basket: [Applicable] [Not Applicable]
- Basket: [Applicable] [Not Applicable]
- (i) Reference Amount: [●]
- (ii) Cap: [●] [Not Applicable]
- (iii) Participation: [●]
- (iv) Basket Strike Value: [●] [per cent.] [Not Applicable]
- (v) Final Value: [Final Closing Value] [Final Average Value]
- (vi) Initial Value: [Initial Closing Value] [Initial Average Value] [Initial Strike Value]
- (vii) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)
- (viii) Final Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (ix) Initial Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (x) Knockout Event: [Applicable] [Not Applicable]
- (A) Knockout Reference Dates: [Each] [Valuation Date] [Observation Date] (further particulars specified below)
- (B) Initial Basket Strike Value: [●] [per cent.] [Not Applicable]
- (xi) Barrier Event: Applicable - for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
- (A) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- Observation Period Start Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation

			Date] [Not Applicable]
-	Observation End Date:	Period	[[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
(B)	Barrier Value:	Reference	[[Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Worst Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, Market Disruption Event is [not] taken into account] [Average Value] [Barrier Basket Value] [Barrier Asset Performance] [Barrier Worst Asset Performance]]
-	Barrier Asset Value:		[Barrier Closing Value] [Barrier Average Value] [Not Applicable]
(C)	Barrier Determination Day:	Event	[Barrier Period] [Barrier Date(s)] applicable
-	Specified Event Day (closing):	Barrier Determination	[●] [Not Applicable]
-	Specified Event Day (intraday):	Barrier Determination	[●] [Not Applicable]
-	Specified Event Day:	Barrier Determination	[Valuation Date] [each Averaging Date] [●] [Not Applicable]
(D)	Barrier Level:		[●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
(h)	CSA 8:		[Applicable] [Not Applicable] [<i>if not applicable, then may delete the following sub- paragraphs</i>]
-	Single Asset:		[Applicable] [Not Applicable]
-	Worst of Basket:		[Applicable] [Not Applicable]
-	Basket:		[Applicable] [Not Applicable]
(i)	Reference Amount:		[●]
(ii)	v:		[●]
(iii)	Put Value:		[●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Put Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]

- (iv) Final Value: [Final Closing Value] [Final Average Value]
- (v) Initial Value: [Initial Closing Value] [Initial Average Value]
[Initial Strike Value] [Not Applicable]
- (vi) Basket Put Value: [●] [per cent.] [Not Applicable]
- (vii) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)
- (viii) Final Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (ix) Initial Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (i) CSA 9: [Applicable] [Not Applicable] [*if not applicable, then may delete the following subparagraphs*]
 - Single Asset: [Applicable] [Not Applicable]
 - Basket: [Applicable] [Not Applicable]
 - (i) Reference Amount: [●]
 - (ii) Annual Adjustment Factor: [●]
 - (iii) Period End Date: [Final Reference Date] [*insert date*] (further particulars specified below)
 - (iv) Final Value: [Final Closing Value] [Final Average Value]
 - (v) Initial Value: [Initial Closing Value] [Initial Average Value]
[Initial Strike Value]
 - (vi) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)
 - (vii) Final Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
 - (viii) Initial Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
 - (ix) FX: [Applicable] [Not Applicable]
 - (A) FX Reference Date: [[●] FX Business Day[s] immediately following the] [Adjusted Final Asset Valuation Date] [Latest Reference Date in respect of the Final Asset Valuation Date] [*insert other date*]
 - (B) Final Asset Valuation Date: [Valuation Date] [Last Valuation Date]
[Observation Date] [Last Observation Date]
[Last Averaging Date] [*insert other date*]

- (C) FX Initial Reference Date: ☐ FX Business Day[s] immediately following the ☐ [Adjusted Initial Asset Valuation Date] ☐ [Latest Reference Date in respect of the Initial Asset Valuation Date] ☐ [insert other date]
- (D) Initial Asset Valuation Date: ☐ [Strike Date] ☐ [Last Initial Averaging Date] ☐ [insert other date]
- (x) Exchange Rate Conditions: ☐ [Applicable] ☐ [Not Applicable]
- (xi) Base Currency: ☐ [●]
- (xii) Subject Currency: ☐ [●]
- (xiii) Currency Price: ☐ [Applicable] ☐ [Not Applicable]
- FX Specified Price: ☐ [spot rate of exchange] ☐ [bid rate of exchange] ☐ [mid rate of exchange] ☐ [offer rate of exchange] ☐ [Not Applicable]
- FX Price Source(s): ☐ [●] ☐ [Not Applicable]
- FX Valuation Time: ☐ [●] ☐ [Not Applicable]
- (xiv) Derived Exchange Rate: ☐ [Applicable] ☐ [Not Applicable]
- Reference Currency: ☐ [●] ☐ [Not Applicable]
- RC/BC Price Source: ☐ [●] ☐ [Not Applicable]
- RC/BC Valuation Time: ☐ [●] ☐ [Not Applicable]
- RC/SC Price Source: ☐ [●] ☐ [Not Applicable]
- RC/SC Valuation Time: ☐ [●] ☐ [Not Applicable]
- (xv) Specified Rate: ☐ [Applicable: For the purposes of the definition of "Specified Rate" in W&C Instruments Product Condition 5 (*Other Definitions*), an amount equal to the ☐ [spot rate of exchange] ☐ [bid rate of exchange] ☐ [mid rate of exchange] ☐ [offer rate of exchange]] ☐ [Not Applicable]
- (xvi) Specified Financial Centre(s): ☐ [●]
- (xvii) Corrections to Published and Displayed Rates: ☐ [Applicable] ☐ [Not Applicable]
- (xviii) Successor Currency: ☐ [Applicable] ☐ [Not Applicable]
- Successor Currency Reference Date: ☐ [Strike Date] ☐ [specify other date] ☐ [Not Applicable]
- (xix) Rebasing: ☐ [Applicable] ☐ [Not Applicable]
- (j) CSA 10: ☐ [Applicable] ☐ [Not Applicable] ☐ [if not applicable, then may delete the following subparagraphs]

- Single Asset: [Applicable] [Not Applicable]
- Worst of Basket: [Applicable] [Not Applicable]
- Basket: [Applicable] [Not Applicable]
- (i) Reference Amount (RA): [●]
- (ii) Minimum Cash Settlement Amount (Min CSA): [●]
- (iii) Participation 1 (P1): [●]
- (iv) Participation 2 (P2): [●]
- (v) Final Value: [Final Closing Value] [Final Average Value]
- (vi) Initial Value: [Initial Closing Value] [Initial Average Value] [Initial Strike Value]
- (vii) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)
- (viii) Final Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (ix) Initial Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (x) Cap: [●] [Not Applicable]
- (k) CSA 11: [Applicable] [Not Applicable] [*if not applicable, then may delete the following subparagraphs*]
- Single Asset: [Applicable] [Not Applicable]
- Worst of Basket: [Applicable] [Not Applicable]
- Basket: [Applicable] [Not Applicable]
- (i) Reference Amount: [●] [Not Applicable]
- (ii) Strike Amount: [●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Strike Amount" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below] [Not Applicable]
- (iii) Basket Strike Value: [●] [per cent.] [Not Applicable]
- (iv) Final Value: [Final Closing Value] [Final Average Value]
- (v) Initial Value: [Initial Closing Value] [Initial Average Value] [Initial Strike Value] [Not Applicable]
- (vi) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars

		specified below)
	(vii) Final Averaging Dates:	[<i>insert dates</i>] [Each Averaging Date] [Not Applicable] (further particulars specified below)
	(viii) Initial Averaging Dates:	[<i>insert dates</i>] [Each Averaging Date] [Not Applicable] (further particulars specified below)
(l)	CSA 12:	[Applicable] [Not Applicable] [<i>if not applicable, then may delete the following subparagraphs</i>]
	– Single Asset:	[Applicable] [Not Applicable]
	– Best of Basket:	[Applicable] [Not Applicable]
	– Basket:	[Applicable] [Not Applicable]
	(i) Reference Amount:	[●] [Not Applicable]
	(ii) Strike Amount:	[●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Strike Amount" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below] [Not Applicable]
	(iii) Basket Strike Value:	[●] [per cent.] [Not Applicable]
	(iv) Final Value:	[Final Closing Value] [Final Average Value]
	(v) Initial Value:	[Initial Closing Value] [Initial Average Value] [Initial Strike Value] [Not Applicable]
	(vi) Final Reference Date:	[Valuation Date] [Observation Date] [<i>insert date</i>] [Not Applicable] (further particulars specified below)
	(vii) Final Averaging Dates:	[<i>insert dates</i>] [Each Averaging Date] [Not Applicable] (further particulars specified below)
	(viii) Initial Averaging Dates:	[<i>insert dates</i>] [Each Averaging Date] [Not Applicable] (further particulars specified below)
(m)	CSA 13:	[Applicable] [Not Applicable] [<i>if not applicable, then may delete the following subparagraphs</i>]
	– Single Asset:	[Applicable] [Not Applicable]
	– Worst of Basket:	[Applicable] [Not Applicable]
	– Basket:	[Applicable] [Not Applicable]
	(i) Reference Amount:	[●]
	(ii) Protection:	[●]

- (iii) Participation: [●]
- (iv) Final Value: [Final Closing Value] [Final Average Value]
- (v) Initial Value: [Initial Closing Value] [Initial Average Value] [Initial Strike Value]
- (vi) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)
- (vii) Final Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (viii) Initial Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (ix) Strike: [●]
- (x) FX: [Applicable] [Not Applicable]
 - (A) FX Reference Date: [[●] FX Business Day[s] immediately following the] [Adjusted Final Asset Valuation Date] [Latest Reference Date in respect of the Final Asset Valuation Date] [*insert other date*]
 - (B) Final Asset Valuation Date: [Valuation Date] [Last Valuation Date] [Observation Date] [Last Observation Date] [Last Averaging Date] [*insert other date*]
 - (C) FX Initial Reference Date: [[●] FX Business Day[s] immediately following the] [Adjusted Initial Asset Valuation Date] [Latest Reference Date in respect of the Initial Asset Valuation Date] [*insert other date*]
 - (D) Initial Asset Valuation Date: [Strike Date] [Last Initial Averaging Date] [*insert other date*]
- (n) CSA 14: [Applicable] [Not Applicable] [*if not applicable, then may delete the following subparagraphs*]
 - Single Asset: [Applicable] [Not Applicable]
 - Worst of Basket: [Applicable] [Not Applicable]
 - Basket: [Applicable] [Not Applicable]
- (i) Reference Amount: [●]
- (ii) Final Value: [Final Closing Value] [Final Average Value]
- (iii) Initial Value: [Initial Closing Value] [Initial Average Value] [Initial Strike Value] [Not Applicable]
- (iv) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)

- (v) Final Averaging Dates: *[insert dates]* [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (vi) Initial Averaging Dates: *[insert dates]* [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (vii) Put Value: ☐ [per cent.] ☐ [equal to] ☐ per cent. of the Initial Value] [The amount set out under the heading "Put Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
- (viii) Barrier Event: Applicable - for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
- (A) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- Observation Period Start Date: ☐ ([Including] [Excluding]) [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- Observation Period End Date: ☐ ([Including] [Excluding]) [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- (B) Barrier Reference Value: ☐ [Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Worst Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, Market Disruption Event is [not] taken into account] [Average Value] [Barrier Basket Value] [Barrier Asset Performance] [Barrier Worst Asset Performance]
- Barrier Asset Value: [Barrier Closing Value] [Barrier Average Value] [Not Applicable]
- (C) Barrier Event Determination Day: [Barrier Period] [Barrier Date(s)] applicable
- Specified Barrier Event Determination Day (closing): ☐ [Not Applicable]
- Specified Barrier Event Determination Day (intraday): ☐ [Not Applicable]
- Specified Barrier Event Determination Day: [Valuation Date] [each Averaging Date] ☐ [Not Applicable]

	(D)	Barrier Level:	[●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
	(ix)	Cap:	[●] [Not Applicable]
(o)	CSA 15:		[Applicable] [Not Applicable] [<i>if not applicable, then may delete the following subparagraphs</i>]
	–	Single Asset:	[Applicable] [Not Applicable]
	–	Worst of Basket:	[Applicable] [Not Applicable]
	–	Basket:	[Applicable] [Not Applicable]
	(i)	Reference Amount:	[●]
	(ii)	Cushion Amount:	[●] [per cent.]
	(iii)	Final Threshold:	[●] [per cent.]
	(iv)	Final Value:	[Final Closing Value] [Final Average Value]
	(v)	Initial Value:	[Initial Closing Value] [Initial Average Value] [Initial Strike Value]
	(vi)	Final Reference Date:	[Valuation Date] [Observation Date] [<i>insert date</i>] [Not Applicable] (further particulars specified below)
	(vii)	Final Averaging Dates:	[<i>insert dates</i>] [Each Averaging Date] [Not Applicable] (further particulars specified below)
	(viii)	Initial Averaging Dates:	[<i>insert dates</i>] [Each Averaging Date] [Not Applicable] (further particulars specified below)
	(ix)	Barrier Event:	Applicable - for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
	(A)	Observation Period:	[Applicable: [Extension] [No Extension]] [Not Applicable]
	-	Observation Start Date:	[[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
	-	Observation End Date:	[[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
	(B)	Barrier Reference	[[Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Worst Closing Value]

	Value:	[Intraday Value – for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, Market Disruption Event is [not] taken into account] [Average Value] [Barrier Basket Value] [Barrier Asset Performance] [Barrier Worst Asset Performance]]
	- Barrier Asset Value:	[Barrier Closing Value] [Barrier Average Value] [Not Applicable]
(C)	Barrier Event Determination Day:	[Barrier Period] [Barrier Date(s)] applicable
	- Specified Barrier Event Determination Day (closing):	[●] [Not Applicable]
	- Specified Barrier Event Determination Day (intraday):	[●] [Not Applicable]
	- Specified Barrier Event Determination Day:	[Valuation Date] [each Averaging Date] [●] [Not Applicable]
(D)	Barrier Level:	[●] [per cent.] [[equal to] [●] per cent. of the Initial Value] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
(p)	CSA 16:	[Applicable] [Not Applicable] [<i>if not applicable, then may delete the following subparagraphs</i>]
	– Single Asset:	[Applicable] [Not Applicable]
	– Worst of Basket:	[Applicable] [Not Applicable]
	– Basket:	[Applicable] [Not Applicable]
(i)	Reference Amount (RA):	[●]
(ii)	Call Return Threshold:	[●]
(iii)	Additional Percentage (AP):	[●]
(iv)	Participation:	[●]
(v)	Final Value:	[Final Closing Value] [Final Average Value]
(vi)	Initial Value:	[Initial Closing Value] [Initial Average Value] [Initial Strike Value]
(vii)	Final Reference Date:	[Valuation Date] [Observation Date] [<i>insert date</i>] [Not Applicable] (further particulars specified below)
(viii)	Final Averaging Dates:	[<i>insert dates</i>] [Each Averaging Date] [Not Applicable] (further particulars specified

below)

- (ix) Initial Averaging Dates: *[insert dates]* [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (x) Call Settlement Value: [Call Settlement Closing Value] [Call Settlement Average Value]
- (xi) Call Settlement Reference Date: *[insert date]* [Not Applicable] (further particulars specified below)
- (xii) Call Settlement Averaging Dates: *[insert dates]* [Not Applicable] (further particulars specified below)
- (xiii) Call Strike Value: [Call Strike Closing Value] [Call Strike Average Value]
- (xiv) Call Strike Reference Date: *[insert date]* [Not Applicable] (further particulars specified below)
- (xv) Call Strike Averaging Dates: *[insert dates]* [Not Applicable] (further particulars specified below)
- (xvi) Barrier Event: Applicable - for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
 - (A) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
 - Observation Period Start Date: *[●]* ([Including] [Excluding]) [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
 - Observation Period End Date: *[●]* ([Including] [Excluding]) [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
 - (B) Barrier Reference Value: *[Barrier Period]* [Barrier Date(s)] applicable: [Closing Value] [Worst Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, Market Disruption Event is [not] taken into account] [Average Value] [Barrier Basket Value] [Barrier Asset Performance] [Barrier Worst Asset Performance]]
 - Barrier Asset Value: [Barrier Closing Value] [Barrier Average Value] [Not Applicable]
 - (C) Barrier Event Determination Day: *[Barrier Period]* [Barrier Date(s)] applicable
 - Specified Barrier Event Determination Day (closing): *[●]* [Not Applicable]

- Specified Barrier Event Determination Day (intraday): ☐ [Not Applicable]
- Specified Barrier Event Determination Day: [Valuation Date] [each Averaging Date] ☐ [Not Applicable]
- (D) Barrier Level: ☐ [per cent.] [[equal to] ☐ per cent. of the Initial Value] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
- (xvii) FX: [Applicable] [Not Applicable]
 - (A) FX Reference Date: [☐ FX Business Day[s] immediately following the] [Adjusted Final Asset Valuation Date] [Latest Reference Date in respect of the Final Asset Valuation Date] *[insert other date]*
 - (B) Final Asset Valuation Date: [Valuation Date] [Last Valuation Date] [Observation Date] [Last Observation Date] [Last Averaging Date] *[insert other date]*
 - (C) FX Initial Reference Date: [☐ FX Business Day[s] immediately following the] [Adjusted Initial Asset Valuation Date] [Latest Reference Date in respect of the Initial Asset Valuation Date] *[insert other date]*
 - (D) Initial Asset Valuation Date: [Strike Date] [Last Initial Averaging Date] *[insert other date]*
- (xviii) Exchange Rate Conditions: [Applicable] [Not Applicable]
- (xix) Base Currency: ☐
- (xx) Subject Currency: ☐
- (xxi) Currency Price: [Applicable] [Not Applicable]
 - FX Specified Price: [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] [Not Applicable]
 - FX Price Source(s): ☐
 - FX Valuation Time: ☐
- (xxii) Derived Exchange Rate: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
 - Reference Currency: ☐
 - RC/BC Price Source: ☐
 - RC/BC Valuation Time: ☐

- RC/SC Price Source: [●]
- RC/SC Valuation Time: [●]
- (xxiii) Specified Rate: [Applicable: For the purposes of the definition of "Specified Rate" in W&C Instruments Product Condition 5 (*Other Definitions*), an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]] [Not Applicable]
- (xxiv) Specified Financial Centre(s): [●]
- (xxv) Corrections to Published and Displayed Rates: [Applicable] [Not Applicable]
- (xxvi) Successor Currency: [Applicable] [Not Applicable] [*If not applicable, then may delete the following sub-paragraph*]
- Successor Currency Reference Date: [Strike Date] [*specify other date*]
- (xxvii) Rebasing: [Applicable] [Not Applicable]
- (xxviii) Strike: [●]
- (q) CSA 17: [Applicable] [Not Applicable] [*if not applicable, then may delete the following sub-paragraphs*]
- (i) Reference Amount (RA): [●]
- (ii) Additional Percentage (AP): [●]
- (iii) Participation: [●]
- (iv) Call Return: [Single Asset Call Return] [Basket Call Return]
- (v) Final Value: [Final Closing Value] [Final Average Value]
- (vi) Initial Value: [Initial Closing Value] [Initial Average Value] [Initial Strike Value] [Not Applicable] (*N.B. Insert Not Applicable if Barrier Level is not expressed as a percentage of the Initial Value*)
- (vii) Final Reference Date: [Valuation Date] [Observation Date] [*insert date*] [Not Applicable] (further particulars specified below)
- (viii) Final Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (ix) Initial Averaging Dates: [*insert dates*] [Each Averaging Date] [Not Applicable] (further particulars specified below)
- (x) Call Settlement Value: [Call Settlement Closing Value] [Call Settlement Average Value]

- (xi) Call Settlement Reference Date: *[insert date]* [Not Applicable] (further particulars specified below)
- (xii) Call Settlement Averaging Dates: *[insert dates]* [Not Applicable] (further particulars specified below)
- (xiii) Call Strike Value: [Call Strike Closing Value] [Call Strike Average Value]
- (xiv) Call Strike Reference Date: *[insert date]* [Not Applicable] (further particulars specified below)
- (xv) Call Strike Averaging Dates: *[insert dates]* [Not Applicable] (further particulars specified below)
- (xvi) Barrier Event: Applicable - for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, "Barrier Reference Value [less than or equal to] [greater than or equal to] [less than] [greater than] the Barrier Level" applicable
- (A) Observation Period: [Applicable: [Extension] [No Extension]] [Not Applicable]
- Observation Period Start Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- Observation Period End Date: [[●] ([Including] [Excluding])] [Adjusted as an Observation Date] [Adjusted as a Valuation Date] [Not Applicable]
- (B) Barrier Reference Value: [[Barrier Period] [Barrier Date(s)] applicable: [Closing Value] [Worst Closing Value] [Intraday Value – for the purposes of determining a "Barrier Event" in W&C Instruments Product Condition 2, Market Disruption Event is [not] taken into account] [Average Value] [Barrier Basket Value] [Barrier Asset Performance] [Barrier Worst Asset Performance]]
- Barrier Asset Value: [Barrier Closing Value] [Barrier Average Value] [Not Applicable]
- (C) Barrier Event Determination Day: [Barrier Period] [Barrier Date(s)] applicable
- Specified Barrier Event Determination Day (closing): [●] [Not Applicable]
- Specified Barrier Event Determination Day (intraday): [●] [Not Applicable]
- Specified Barrier Event Determination Day: [Valuation Date] [each Averaging Date] [●] [Not Applicable]

- (D) Barrier Level: ☐ [per cent.] ☐ [[equal to] ☐ per cent. of the Initial Value] [The amount set out under the heading "Barrier Level" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below]
- (xvii) FX: ☐ [Applicable] ☐ [Not Applicable]
- (A) FX Reference Date: ☐ ☐ FX Business Day[s] immediately following the] ☐ [Adjusted Final Asset Valuation Date] ☐ [Latest Reference Date in respect of the Final Asset Valuation Date] ☐ [insert other date]
- (B) Final Asset Valuation Date: ☐ [Valuation Date] ☐ [Last Valuation Date] ☐ [Observation Date] ☐ [Last Observation Date] ☐ [Last Averaging Date] ☐ [insert other date]
- (C) FX Initial Reference Date: ☐ ☐ FX Business Day[s] immediately following the] ☐ [Adjusted Initial Asset Valuation Date] ☐ [Latest Reference Date in respect of the Initial Asset Valuation Date] ☐ [insert other date]
- (D) Initial Asset Valuation Date: ☐ [Strike Date] ☐ [Last Initial Averaging Date] ☐ [insert other date]
- (xviii) Exchange Rate Conditions: ☐ [Applicable] ☐ [Not Applicable]
- (xix) Base Currency: ☐ ☐
- (xx) Subject Currency: ☐ ☐
- (xxi) Currency Price: ☐ [Applicable] ☐ [Not Applicable]
- FX Specified Price: ☐ [spot rate of exchange] ☐ [bid rate of exchange] ☐ [mid rate of exchange] ☐ [offer rate of exchange] ☐ [Not Applicable]
- FX Price Source(s): ☐ ☐
- FX Valuation Time: ☐ ☐
- (xxii) Specified Rate: ☐ [Applicable: For the purposes of the definition of "Specified Rate" in W&C Instruments Product Condition 5 (*Other Definitions*), an amount equal to the ☐ [spot rate of exchange] ☐ [bid rate of exchange] ☐ [mid rate of exchange] ☐ [offer rate of exchange]] ☐ [Not Applicable]
- (xxiii) Derived Exchange Rate: ☐ [Applicable] ☐ [Not Applicable] ☐ [if not applicable, then may delete the following subparagraphs]
- Reference Currency: ☐ ☐
- RC/BC Price Source: ☐ ☐
- RC/BC Valuation Time: ☐ ☐
- RC/SC Price Source: ☐ ☐

	- RC/SC Time:	Valuation	[●]
(xxiv)	Specified Rate:		[Applicable: For the purposes of the definition of "Specified Rate" in W&C Instruments Product Condition 5 (<i>Other Definitions</i>), an amount equal to the [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]] [Not Applicable]
(xxv)	Specified Financial Centre(s):		[●]
(xxvi)	Corrections to Published and Displayed Rates:		[Applicable] [Not Applicable]
(xxvii)	Successor Currency:		[Applicable] [Not Applicable] [<i>If not applicable, then may delete the following sub-paragraph</i>]
	- Successor Currency Reference Date:		[Strike Date] [<i>specify other date</i>]
(xxviii)	Rebasing:		[Applicable] [Not Applicable]
(xxix)	Strike:		[●]
26.	LEPW Conditions:		[Applicable] [Not Applicable]
(a)	Cash Settlement Amount:		[The provisions of Part 3 (<i>Additional Terms and Conditions for Low Exercise Price Warrants</i>) of "Annex 1 – <i>Additional Product Terms and Conditions</i> " shall apply]
(i)	Out-performance:		[Applicable] [Not Applicable] [<i>if not applicable, then may delete the following sub-paragraphs</i>]
	[- Rate:]		[[●]] [Not Applicable] (<i>N.B. If Outperformance is applicable, insert this sub-paragraph</i>)
	[- Multiplier:]		[[●]] [Not Applicable] (<i>N.B. If Outperformance is not applicable, insert this sub-paragraph</i>)
(ii)	Settlement Price:		[Settlement Price (Effective Price 1)] [Settlement Price (Effective Price 2)] [Settlement Price (Index Closing Level)] [Settlement Price (Share Closing Price 1)] [Settlement Price (Share Closing Price 2)]
(iii)	Exchange Rate:		[Applicable: [Exchange Rate 1] [Exchange Rate 2]] [Not Applicable] (<i>N.B. insert the following sub-paragraphs if Exchange Rate 2 is applicable</i>)
	[(A) Specified Rate:]		[The [spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange]]
	[(B) FX Price Source:]		[●] [Not Applicable]

	[(C) FX Valuation Time:]	[●] [Not Applicable]
(b)	Dividend Taxes (PRC) Deduction:	[Applicable][Not Applicable]
(c)	Additional Amount Payment Date(s):	[As specified in LEPW Condition 2] <i>[insert other]</i> [Not Applicable] <i>(N.B. Not Applicable for Index Linked W&C Instruments)</i>
(d)	Number of Shares per Warrant:	[●] [Not Applicable] <i>(N.B. Not Applicable for Index Linked W&C Instruments)</i>
(e)	Local Currency:	[[●]] [Not Applicable]
(f)	Pre-IPO Share:	[Applicable] [Not Applicable]
(g)	Ratio:	[[●]] [Not Applicable] <i>(N.B. Not Applicable for Index Linked W&C Instruments)</i>
(h)	Original Scheduled Expiration Date:	[●]
(i)	Scheduled Expiration Cut-Off Date:	[●]
(j)	Special Conditions for Potential Adjustment Events (<i>LEPW Condition 5(h)</i>):	[Applicable] [Not Applicable] <i>(N.B. Not Applicable for Index Linked W&C Instruments or Share Linked W&C Instruments in respect of which China Connect Share LEPU Conditions apply)</i>
(k)	Change in Law Amendment (<i>LEPW Condition 6</i>):	[Applicable] [Not Applicable]
(l)	Deduction of Cost and Taxes (<i>LEPW Condition 7</i>):	[Applicable] [Not Applicable]
(m)	Exercise Period Start Date (<i>LEPW Condition 8</i>):	[Tranche 1 Issue Date: [●]] [●] [Listing Date]
(n)	Scheduled Settlement Date (<i>LEPW Condition 9</i>):	[●] [Scheduled Settlement Date is Business Day Adjusted]
	(i) Number of Settlement Business Days:	[[●] Business Days] [As specified in the Product Conditions]
	(ii) Settlement Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Nearest] [Preceding Business Day Convention]
(o)	China Connect Share LEPU Conditions (<i>LEPU Conditions 10 to 14</i>):	[Applicable] [Not Applicable]
(p)	Special Conditions for Potential Adjustment Events (<i>LEPU Condition 13(h)</i>):	[Applicable] [Not Applicable] <i>(N.B. Not Applicable for Index Linked W&C Instruments)</i>
(q)	Additional Disruption Event (<i>LEPU Condition 14</i>)	[Not Applicable] [The following Additional Disruption Events apply to the W&C Instruments: [Change in law] [Hedging Disruption]

		[Increased Cost of Hedging]
		[Increased Cost of Stock Borrow]
		[Loss of Stock Borrow]
		[Insolvency Filing]
		[China Connect Share Disqualification]
		[China Connect Service Termination]]
27.	Target Volatility Conditions:	[Applicable] [Not Applicable] <i>[if not applicable, then may delete the following subparagraphs]</i>
(a)	Cash Settlement Amount:	The provisions of Part 4 (<i>Additional Terms and Conditions for Target Volatility W&C Instruments</i>) of "Annex 1 – <i>Additional Product Terms and Conditions</i> " shall apply
	(i) Ladder Target Volatility Payout:	[Applicable] [Not Applicable]
	(ii) Fixed Settlement Amount Payout:	[Applicable] [Not Applicable] <i>[specify amount]</i>
(b)	Reference Amount:	[●]
(c)	Final Valuation Date:	[●]
	– Final Valuation Cut-Off Date:	[Second] [●] Business Day prior to the Settlement Date] [As specified in the Target Volatility Conditions]
(d)	Target Volatility Linked Additional Amounts:	[Applicable] [Not Applicable] <i>[if not applicable, then may delete the following subparagraphs]</i>
	(i) Additional Amount Event:	Applicable – for the purposes of determining an "Additional Amount Event" in W&C Instruments Product Conditions Part 4, Volatility Controlled Basket Performance is [less than or equal to][greater than or equal to] [less than][greater than] Additional Amount Threshold]
	(ii) Additional Amount Threshold:	[In respect of each Additional Amount Reference Date,] [●] [the amount specified in the column entitled "Additional Amount Threshold" of the Additional Amount Table in the row corresponding to the date (specified in the column entitled "Additional Amount Reference Date(s)") on which such Additional Amount Reference Date is scheduled to fall] <i>(N.B. Insert the Additional Amount Table if required)</i>
		[In respect of each Underlying Asset, the amount specified in the column entitled "Additional Amount Threshold" in the Underlying Asset(s) Information Table under "Specific Information relating to the

		Underlying Asset(s)" below] (<i>N.B. Insert if applicable</i>)
(iii)	Additional Amount Payment Date(s):	[●] / [Each date set out under the heading "Additional Amount Payment Date(s)" in "Additional Amount Table" below] (<i>N.B. Insert if the Additional Amount Table is required</i>)
(iv)	Additional Amount Reference Date(s):	[●] / [Each date set out under the heading "Additional Amount Reference Date(s)" in "Additional Amount Table" below] (<i>N.B. Insert if the Additional Amount Table is required</i>)
–	Additional Amount Reference Cut-Off Date:	[In respect of a Scheduled Additional Amount Reference Date, the [second] [●] Business Day prior to the Additional Amount Payment Date immediately following such Scheduled Additional Amount Reference Date] / [As specified in the Target Volatility Conditions]
–	Additional Amount Cut-Off Date (for the purposes of W&C Instruments Product Condition 4.1):	[Exercise Date] [Settlement Date] [<i>specify other date</i>]
(v)	Additional Amount Percentage (Target Volatility):	[●]
(vi)	FX(AA):	[Applicable] [Not Applicable]
(e)	FX:	[Applicable] [Not Applicable]
(f)	Exchange Rate Conditions:	[Applicable] [Not Applicable]
(g)	Exchange Rate Strike Date:	[Strike Date] [<i>insert other date</i>] [Not Applicable]
(h)	Currency Price:	[Applicable] [Not Applicable] [Not Applicable] [<i>if not applicable, then may delete the following sub-paragraphs</i>]
(i)	FX Specified Price:	[spot rate of exchange] [bid rate of exchange] [mid rate of exchange] [offer rate of exchange] [Not Applicable]
(ii)	FX Price Source(s):	[●]
(iii)	FX Valuation Time:	[●]
(i)	Base Currency:	[●]/[Not Applicable]
(j)	Subject Currency:	[●]/[Not Applicable]
(k)	Derived Exchange Rate:	[Applicable] [Not Applicable] [<i>if not applicable, then may delete the following sub-paragraphs</i>]

[For the purposes of the definition of "Derived Exchange Rate" in the Target Volatility Conditions, the amount resulting from such

calculation will be rounded to the nearest [●] decimal place, with [●] being rounded upwards.]

- (i) Reference Currency: [●]
- (ii) RC/BC Price Source: [●]
- (iii) RC/BC Valuation Time: [●]
- (iv) RC/SC Price Source: [●]
- (v) RC/SC Valuation Time: [●]
- (l) Specified Financial Centre(s): [●]
- (m) Corrections to Published and Displayed Rates: [Applicable] [Not Applicable]
- (n) Successor Currency: [Applicable] [Not Applicable] [*If not applicable, then may delete the following sub-paragraph*]
 - Successor Currency Reference Date: [Strike Date] [*specify other date*] [Not Applicable]
- (o) Rebasing: [Applicable] [Not Applicable]
- (p) Participation: [●]
- (q) Adjustment Factor 1: [●]
- (r) Adjustment Factor 2: [●]
- (s) Aggregate Underlying Asset Performance 1: [Applicable] [Not Applicable]
- (t) Aggregate Underlying Asset Performance 2: [Applicable] [Not Applicable]
- (u) Averaging Dates: [●] [Not Applicable]
- (v) Target Volatility: [●]
- (w) Maximum Target Allocation: [●] [Not Applicable]
- (x) Minimum Target Allocation: [●] [Not Applicable]
- (y) Rate: [As specified in the Target Volatility Conditions] [Not Applicable]
 - (i) Reference Rate: [LIBOR] [HIBOR] [EURIBOR] [STIBOR] [SIBOR] [TIBOR] [JIBAR] [Dollar LIBOR]
 - (ii) Designated Maturity: [[●] month] [Not Applicable]
 - (iii) Rate Determination Day: [As specified in the Target Volatility Conditions] [[●] Rate Business Day(s) prior to a Relevant Day] [*If the latter is specified, insert the following sub-paragraph*]
 - [- Rate Financial [●]

Centre(s):]		
(iv)	Relevant Screen Page:	[●]
(v)	Relevant Time:	[●] [Not Applicable]
(z)	Number of Days in the Period:	[●]
(aa)	b:	[●]
(bb)	c:	[●]
(cc)	n:	[●]
(dd)	q:	[●]
(ee)	X:	[●]
(ff)	SA:	[●]
(gg)	M1:	[●]
(hh)	M2:	[●]
(ii)	N1:	[●]
(jj)	N2:	[●]
(kk)	Y:	[●]
(ll)	V:	[●]
(mm)	Cap:	[●]
(nn)	Strike:	[●]
(oo)	Initial Basket Value:	[●]
(pp)	Averaging:	[Applicable] [Not Applicable]
(qq)	Basket Value 1:	[Applicable] [Not Applicable]
(rr)	Basket Value 2:	[Applicable] [Not Applicable]
(ss)	Averaging:	[Applicable] [Not Applicable]
(tt)	Cap:	[●]
(uu)	Day Count:	(i) In respect of any Valuation Date "t" other than the Initial Valuation date, the actual number of calendar days falling in the period from the immediately preceding Valuation Date (and [including] [excluding] such Valuation Date) to such Valuation Date "t" (and [including] [excluding] such Valuation Date "t"); and (ii) In respect of the Initial Valuation Date, the actual number of calendar days falling in the period from the Strike Date (and [including]

[excluding] the Strike Date) to the Initial Valuation Date (and [including] [excluding] the Initial Valuation Date).

(vv)	Decay Factor _{Long} :	[●]
(ww)	Decay Factor _{Short} :	[●]
(xx)	Initial Underlying Asset Performance:	[●]
(yy)	Realised Volatility:	
	(i) Initial Realised Volatility 1:	[●]
	(ii) Initial Realised Volatility 2:	[●]
	(iii) Realised Volatility 1:	Applicable
	(iv) Realised Volatility 1A:	[Applicable] [Not Applicable]
	(v) Realised Volatility 1B:	[Applicable] [Not Applicable]
	(vi) Realised Volatility 2:	[Applicable] [Not Applicable]
	(vii) Realised Volatility 2A:	[Applicable] [Not Applicable]
	(viii) Realised Volatility 2B:	[Applicable] [Not Applicable]
(zz)	LockIn Observation End Date:	[●]
(aaa)	LockIn Observation Start Date:	[●]
(bbb)	LockIn Rate:	[●]
(ccc)	LockIn Trigger:	[●]
(ddd)	Fixed Settlement Amount:	[●] [Not Applicable]

PROVISIONS RELATING TO TYPE OF W&C INSTRUMENTS

28. Type of Underlying Asset(s):

(a)	Asset:	[Each/The] [Index] [and] [each/the] [Share] [and] [each/the] [Fund Share] [and] [each/the] [Fund Interest] (as defined in paragraph[s] [30] [and] [31] [and] [33] below)
(b)	Asset Basket:	Basket of [Indices] [Shares] [Funds] [Hybrid Assets] [Not Applicable]

29. Hybrid Basket Linked Conditions:

[Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*

(a)	Basket of Hybrid Assets:	A basket comprising the [index] [indices] [and] [, share[s]] [and] [fund[s]] (as specified in paragraph[s] [30] [and] [31] [and] [33] below)
(b)	Averaging:	[Applicable] [Not Applicable]
	(i) Averaging Dates:	[insert dates] [Each] [Initial Averaging Date] [and] [Final Averaging Date] [Call Settlement

- Averaging Date] [and] [Call Strike Averaging Date] [Not Applicable]
- [Last Averaging Date: [●]]
- [Last Initial Averaging Date: [●]]
- [Common] [Individual] Disrupted Days applicable] (*N.B. Either Common or Individual Disrupted Days must be specified*)
- (ii) Omission: [Applicable] [Not Applicable]
- (iii) Postponement: [Applicable] [Not Applicable]
- (iv) Modified Postponement: [Applicable] [Not Applicable]
- (c) Observation Date(s): [insert date(s)] [Each] [Additional Amount Reference Date] [Call Settlement Reference Date] [and] [Call Strike Reference Date] [Mandatory Early Exercise Reference Date] [Accrual Period Start Date] [Accrual Period End Date] [Knockout Reference Date] [Period End Date] [and] [Final Reference Date] [Not Applicable]
- [Last Observation Date: [●]]
- [Common] [Individual] Disrupted Days applicable] (*N.B. Either Common or Individual Disrupted Days must be specified*)
- (d) Valuation Date(s): [insert date(s)] [Each] [Additional Amount Reference Date] [Call Settlement Reference Date] [and] [Call Strike Reference Date] [Mandatory Early Exercise Reference Date] [Accrual Period Start Date] [Accrual Period End Date] [Knockout Reference Date] [Period End Date] [and] [Final Reference Date] [Not Applicable]
- [Last Valuation Date: [●]]
- [Common] [Individual] Disrupted Days applicable] (*N.B. Either Common or Individual Disrupted Days must be specified*)
- (e) Asset Performance: [As specified in the Product Conditions] [Not Applicable]
30. Index Linked Conditions: [Applicable] [Not Applicable]
- (a) Index/Basket of Indices: [The index] [Each of the indices] set out under the heading "Index" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below ([the "Index"] [each, an "Index" and together the "Indices" or "Basket of Indices"])

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms "Index", "Bloomberg Code", "Index Sponsor", "Type of Index", "Exchange", "Related Exchange", "Index Currency" [, "Accrual Level"] [, "Additional Amount Threshold"] [, "Barrier

Level"] [, "Initial Value"] [, "Mandatory Early Exercise Trigger"] [, "Put Value"] [, "Strike Amount"] [, "Strike Date"] [and] ["Weight_(i)"] [and] *(insert additional columns as applicable)* applicable to [an] [the] Index shall have the corresponding meanings set forth against such Index in the table below:

Index	Bloomberg Code	Index Sponsor	Type of Index	Exchange	Related Exchange	Index Currency	[Weight _(i)] ⁴	[Strike Amount] [Barrier Level] [Put Value] [Accrual Level]	[Initial Value] [Additional Amount Threshold] [Mandatory Early Exercise Trigger]	[Strike Date]
[●]	[●]	[●]	[●]	[●]	[●][All Exchanges]	[●]	[●]	[●]	[●] [As specified in the Index Linked Conditions]	[insert date]
[●]	[●]	[●]	[●]	[●]	[●][All Exchanges]	[●]	[●]	[●]	[●] [As specified in the Index Linked Conditions]	[insert date]

- (b) Index Performance: [As specified in the Index Linked Conditions] [Not Applicable]
- (c) Initial Index Level: [Applicable] [, as set out under the heading "Initial Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (d) Initial Index Strike Level: [Applicable] [, as set out under the heading "Initial Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (e) Initial Index Closing Level: [Applicable] [, as set out under the heading "Initial Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (f) Averaging: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Averaging Dates: *[insert date(s)]* [Each [Initial Averaging Date] [and] [Final Averaging Date] [Call Settlement Averaging Date] [and] [Call Strike Averaging Date]]
- [Last Averaging Date: [●]]
- [Last Initial Averaging Date: [●]]
- (A) Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)* [Not Applicable]

⁴ May only be applicable in relation to Index Linked W&C Instruments relating to a Basket of Indices or one or more Indices in a Hybrid Basket.

		<i>(N.B. May only be applicable in relation to Index Linked W&C Instruments relating to a Basket of Indices)</i>
(ii)	Omission:	[Applicable] [Not Applicable]
(iii)	Postponement:	[Applicable] [Not Applicable]
(iv)	Modified Postponement:	[Applicable] [Not Applicable]
(g)	Valuation Date(s):	<i>[insert date(s)] [Each] [Additional Amount Reference Date] [Call Settlement Reference Date] [and] [Call Strike Reference Date] [Mandatory Early Exercise Reference Date] [Accrual Period Start Date] [Accrual Period End Date] [Knockout Reference Date] [Period End Date] [and] [Final Reference Date] [As specified in the LEPW Conditions] [Not Applicable] [if not applicable, then may delete the following sub-paragraphs]</i> [Last Valuation Date: [●]]
–	Common Scheduled Trading Days:	[Applicable. [Common] [Individual] Disrupted Days will apply] <i>(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)</i> [Not Applicable] <i>(N.B. May only be applicable in relation to Index Linked W&C Instruments relating to a Basket of Indices)</i>
(h)	Valuation Time:	[As specified in the Index Linked Conditions] <i>[specify other]</i> [Not Applicable]
(i)	Observation Date(s):	<i>[insert date(s)] [Each] [Additional Amount Reference Date] [Call Settlement Reference Date] [and] [Call Strike Reference Date] [Mandatory Early Exercise Reference Date] [Accrual Period Start Date] [Accrual Period End Date] [Knockout Reference Date] [Period End Date] [and] [Final Reference Date] [Not Applicable] [if not applicable, then may delete the following sub-paragraphs]</i> [Last Observation Date: [●]]
–	Common Scheduled Trading Days:	[Applicable. [Common] [Individual] Disrupted Days will apply] <i>(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.)</i> [Not Applicable] <i>(N.B. May only be applicable in relation to Index Linked W&C Instruments relating to a Basket of Indices)</i>
(j)	Additional Disruption Events:	[Not Applicable] [The following Additional Disruption Events apply to the W&C Instruments: [Change in Law] [Hedging Disruption]

[Increased Cost of Hedging]]

31. Share Linked Conditions: [Applicable] [Not Applicable]

(a) Share(s)/Basket of Shares: [The] [Each of the] [ordinary shares] [depository receipts] of the relevant Share Company set out under the heading "**Share Company**" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below (each a "**Share**" and together, the "**Shares**" [or the "**Basket of Shares**"])

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms "**Share Company**", "**ISIN of Share**", "**Bloomberg Code**", "**Exchange**", "**Related Exchange**", "**Local Jurisdiction**" [, "**Accrual Level**"] [, "**Additional Amount Threshold**"] [, "**Barrier Level**"] [, "**Initial Value**"] [, "**Mandatory Early Exercise Trigger**"] [, "**Put Value**"] [, "**Strike Amount**"] [, "**Strike Date**"] [and] ["**Weight_(i)**"] (*insert additional columns as appropriate*) applicable to [a] [the] Share shall have the corresponding meanings set forth against the relevant Share Company in the table below.

Share Company	ISIN of Share	Bloomberg Code	Exchange	Related Exchange	Local Jurisdiction	[Weight _(i)] ⁵	[Strike Amount] [Barrier Level] [Put Value] [Accrual Level]	[Initial Value] [Additional Amount Threshold] [Mandatory Early Exercise Trigger]	[Strike Date]
[•]	[•]	[•]	[•]	[•][All Exchanges]	[•]	[•]	[•]	[•]	[insert date]
[•]	[•]	[•]	[•]	[•][All Exchanges]	[•]	[•]	[•]	[•]	[insert date]

(b) Share Performance: [As specified in the Share Linked Conditions] [Not Applicable]

[Share Performance is rounded to four decimal places]

(c) Initial Share Price: [Applicable] [, as set out under the heading "Initial Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]

(d) Initial Share Strike Price: [Applicable] [, as set out under the heading "Initial Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]

(e) Initial Share Closing Price: [Applicable] [, as set out under the heading "Initial Value" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]

(f) Averaging: [Applicable] [Not Applicable] [*if not applicable, then may delete the following sub-paragraphs*]

[Last Averaging Date: [•]]

⁵ May only be applicable in relation to Share Linked W&C Instruments relating to a Basket of Shares or one or more Share(s) in a Hybrid Basket.

- [Last Initial Averaging Date: [●]]
- (i) Averaging Dates: [insert date(s)] [Each [Initial Averaging Date] [and] [Final Averaging Date] [Call Settlement Averaging Date] [and] [Call Strike Averaging Date]]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)* [Not Applicable]
- (N.B. May only be applicable in relation to Share Linked W&C Instruments relating to a Basket of Shares)*
- (ii) Omission: [Applicable] [Not Applicable]
- (iii) Postponement: [Applicable] [Not Applicable]
- (iv) Modified Postponement: [Applicable] [Not Applicable]
- (g) Valuation Date(s): [insert date(s)] [Each] [Additional Amount Reference Date] [Call Settlement Reference Date] [and] [Call Strike Reference Date] [Mandatory Early Exercise Reference Date] [Accrual Period Start Date] [Accrual Period End Date] [Knockout Reference Date] [Period End Date] [and] [Final Reference Date] [As specified in the LEPW Conditions] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- [Last Valuation Date: [●]]
- Common Scheduled Trading Days: [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified.)* [Not Applicable]
- (N.B. May only be applicable in relation to Share Linked W&C Instruments relating to a Basket of Shares)*
- (h) Valuation Time: [As specified in the Share Linked Conditions] *[specify other]*
- (i) Observation Date(s): [insert date(s)] [Each] [Additional Amount Reference Date] [Call Settlement Reference Date] [and] [Call Strike Reference Date] [Mandatory Early Exercise Reference Date] [Accrual Period Start Date] [Accrual Period End Date] [Knockout Reference Date] [Period End Date] [and] [Final Reference Date] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]*
- [Last Observation Date: [●]]

–	Common Trading Days:	Scheduled	[Applicable. [Common] [Individual] Disrupted Days will apply] <i>(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)</i> [Not Applicable] <i>(N.B. May only be applicable in relation to Share Linked W&C Instruments relating to a Basket of Shares)</i>
(j)	Tender Offer:		[Applicable] [Not Applicable]
(k)	Announcement Event:		[Applicable] [Not Applicable]
(l)	Share Substitution:		[Applicable. Share Substitution Criteria are as specified in the Share Linked Conditions] [Not Applicable] <i>[if not applicable, then may delete the following sub-paragraph]</i>
	[- Affected Share Strike Date:]		[As specified in the Share Linked Conditions] <i>[specify other date]</i>
(m)	Local Tax Adjustment:		[Not Applicable] [Applicable. Local Jurisdiction is set out in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above. [Where Local Jurisdiction is specified to be "United States" then this shall mean the United States of America's federal and/or state and/or local taxes and/or any political subdivision thereof]]
(n)	Additional Disruption Events:		[Not Applicable] [As specified in paragraph 26(q) above] <i>(N.B. for Share Linked W&C Instruments in respect of which China Connect Share LEPU Conditions apply)</i> [The following Additional Disruption Events apply to the W&C Instruments: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Initial Stock Loan Rate: [●]] [Insolvency Filing] [Loss of Stock Borrow] [Maximum Stock Loan Rate: [●]]]
32.	GDR/ADR Linked Conditions:		[Applicable] [Not Applicable] <i>(For GDR/ADR Linked W&C Instruments complete sections for Share Linked W&C Instruments (paragraph 31 above) (completed and amended as appropriate) and this section)</i>
(a)	Partial Lookthrough:		[Applicable] [Not Applicable]
(b)	Full Lookthrough:		[Applicable] [Not Applicable]
33.	Fund Linked Conditions:		[Applicable] [Not Applicable]

- (a) Fund/Basket of Funds: [[The/Each] fund set out under the heading "**Fund**" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below ([the "**Fund**" [each, a "**Fund**" and together the "**Funds**" or "**Basket of Funds**"].)]

[[The/Each] exchange traded fund set out under the heading "**ETF**" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" below ([the "**ETF**" [each, an "**ETF**" and together the "**ETFs**"].)]

SPECIFIC INFORMATION RELATING TO THE UNDERLYING ASSET(S)

The terms ["**Fund**"], ["**ETF**"], ["**ISIN of Fund**"], ["**ISIN of Fund Share**"], "**Bloomberg Code**" [, "**Fund Interest**"] [, "**Exchange**", "**Related Exchange**"] [, "**Accrual Level**"] [, "**Additional Amount Threshold**"] [, "**Barrier Level**"] [, "**Initial Value / Initial Price**"] [, "**Mandatory Early Exercise Trigger**"] [, "**Put Value**"] [, "**Strike Amount**"] [, "**Strike Date**"] [, "**Weight_(i)**"] [and] "**Underlying Index**" (*insert additional columns as appropriate*) applicable to [a/an/the] [Fund/ETF] shall have the corresponding meanings set forth against such [Fund/ETF] in the table below.

[Fund] [ETF]	ISIN of Fund [Share]	Bloomberg Code	[Fund Interest] ⁶	[Exchange]	[Related Exchange]	[Weight] ⁷ [Weight _(i)] ⁸	[Strike Amount] [Barrier Level] [Put Value] [Accrual Level]	[Initial Value / Initial Price] [Additional Amount Threshold] [Mandatory Early Exercise Trigger]	[Underlying Index]	[Strike Date]
[•]	[•]	[•]	[•]	[•]	[•][All Exchanges]	[•]	[•]	[•]	[•]	[insert date]
[•]	[•]	[•]	[•]	[•]	[•][All Exchanges]	[•]	[•]	[•]	[•]	[insert date]

- (b) Fund Performance: [As specified in the Fund Linked Conditions] [Not Applicable]
- (c) Initial Fund Share Price: [Applicable] [, as set out under the heading "Initial Value/Initial Price" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (d) Initial Fund Share Strike Price: [Applicable] [, as set out under the heading "Initial Value/Initial Price" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]
- (e) Initial Fund Share Closing Price: [Applicable] [, as set out under the heading "Initial Value/Initial Price" in the Underlying Asset(s) Information Table under "Specific Information relating to the Underlying Asset(s)" above] [Not Applicable]

⁶ May only be applicable in relation to Funds other than Exchange Traded Funds (ETFs).

⁷ May only be applicable in relation to Fund Linked W&C Instruments relating to a Basket of Funds (where Target Volatility Conditions are applicable).

⁸ May only be applicable in relation to Fund Linked W&C Instruments relating to a Basket of Funds (which are Exchange Traded Funds (ETFs) or one or more Exchange Traded Funds (ETFs) in a Hybrid Basket.

- (f) Averaging: [Applicable] [Not Applicable] *[if not applicable, then may delete the following sub-paragraphs]*
- (i) Averaging Cut-Off Date: [insert date(s)] [As specified in the Fund Linked Conditions] [Not Applicable]
- (ii) Averaging Dates: [insert date(s)] [Each [Initial Averaging Date] [and] [Final Averaging Date] [Call Settlement Averaging Date] [and] [Call Strike Averaging Date]]
- [Last Averaging Date: [●]]
- [Last Initial Averaging Date: [●]]
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)*
- (N.B. May only be applicable in relation to Fund Linked W&C Instruments relating to a Basket of Funds)*
- (iii) Omission: [Applicable] [Not Applicable]
- (iv) Postponement: [Applicable] [Not Applicable]
- (v) Modified Postponement: [Applicable] [Not Applicable]
- (g) Valuation Date(s): [insert date(s)] [Each] [Additional Amount Reference Date] [Call Settlement Reference Date] [and] [Call Strike Reference Date] [Mandatory Early Exercise Reference Date] [Accrual Period Start Date] [Accrual Period End Date] [Knockout Reference Date] [Period End Date] [and] [Final Reference Date] [Not Applicable] *[if not applicable, then may delete the following sub-paragraph]* [Last Valuation Date: [●]]
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)*
- (N.B. May only be applicable in relation to Fund Linked W&C Instruments relating to a Basket of Funds)*
- (h) Valuation Time: [As specified in the Fund Linked Conditions] *[specify other]* [Not Applicable]
- (i) Valuation Cut-Off Date: [insert date(s)] [As specified in the Fund Linked Conditions] [Not Applicable]
- (j) Observation Date(s): [insert date(s)] [Each] [Additional Amount Reference Date] [Call Settlement Reference Date] [and] [Call Strike Reference Date] [Mandatory Early Exercise Reference Date] [Accrual Period Start Date] [Accrual Period End Date] [Knockout Reference Date] [Period End Date] [and] [Final Reference Date] [Not Applicable] *[if not applicable, then may*

delete the following sub-paragraph]

[Last Observation Date: [●]]

- (k) Observation Cut-Off Date: [insert date(s)] [As specified in the Fund Linked Conditions] [Not Applicable]
- [- Common Scheduled Trading Days:] [Applicable. [Common] [Individual] Disrupted Days will apply] *(N.B. If Common Scheduled Trading Days are applicable, either Common or Individual Disrupted Days must be specified)*
- (N.B. May only be applicable in relation to Fund Linked W&C Instruments relating to a Basket of Funds)*
- (l) Barrier Fund Specified Date: [Scheduled Fund Redemption Valuation Date] [Common Scheduled Fund Redemption Valuation Date] [Fund Redemption Valuation Date] [Common Fund Redemption Valuation Date] [specify other] [Not Applicable]
- (m) Fund Specified Date: [Scheduled Fund Redemption Valuation Date] [Common Scheduled Fund Redemption Valuation Date] [Fund Redemption Valuation Date] [Common Fund Redemption Valuation Date] [specify other] [Not Applicable]
- (n) Specified Barrier Event Determination Day (closing): [insert date(s)] [Not Applicable]
- (o) Additional Disruption Events: [Not Applicable] [The following Additional Disruption Events apply to the W&C Instruments:
- [Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]]
- (p) Strike Date: [insert date(s)]
- (q) Merger Date (Fund Linked Condition 10): [As specified in the "Merger Event" definition in Fund Linked Condition 10] [Merger Date is on or before [●]] [Not Applicable]

PROVISIONS RELATING TO SECURED W&C INSTRUMENTS

34. Secured W&C Instrument Provisions: [Applicable in accordance with Annex 9] [Not applicable]
- (If not applicable, delete the remaining provisions of this section).*
- (a) Collateral Valuation Currency: [specify]
- (b) MTM Collateral Specified Percentage: [specify]
- (c) Order of Priority: [Standard Order of Priority as defined in Annex 9] [(a),[specify alternative order of sub-paragraphs (b) – (e) as needed]].

(d) Physical Delivery of Static Collateral Assets: [Applicable] [Not Applicable]

(e) Eligibility Criteria: [Applicable. Only Initial Collateral Assets are Eligible] [Applicable. In respect of each Eligible MTM Collateral Class, as specified in the relevant row of the MTM Collateral Assets Table below:]

MTM COLLATERAL ASSETS TABLE		
Eligible MTM Collateral Class	Margin Percentage	[Concentration Limit]
[Debt Securities] [Equity Securities]; [Relevant ISIN: [●]][]; [Industry Sectors: [aerospace and defense;] [automobile;] [banking;] [beverage, food and tobacco;] [buildings and real estate;] [chemicals, plastics and rubber;] [containers, packaging and glass;] [personal and non durable consumer products (manufacturing only);] [diversified/conglomerate manufacturing;] [diversified/conglomerate service;] [diversified natural resources, precious metals;] [ecological;] [electronics;] [finance;] [farming and agriculture;] [grocery;] [healthcare, education and childcare;] [home and office furnishings, housewares and durable consumer products;] [hotels, motels, inns and gaming;] [insurance;] [leisure, amusement, entertainment;] [machinery (non-agriculture, non-construction, non-electronic);] [mining, steel, iron and non precious metals;] [oil and gas;] [personal, food and miscellaneous;] [printing and publishing;] [cargo transport;] [retail stores;] [telecommunications;] [textiles and leather;] [personal transportation;] [utilities;] [broadcasting and entertainment;] [sovereign and supranational]][]; [Relevant Issuer: [●]][]; [Jurisdiction of Incorporation: [●]][]; [Relevant Rating: [●]][]; [Minimum Outstanding Amount: [●]] [and Maximum Outstanding Amount [●]][]; [Relevant Currency: [●]][]; [ECB Eligible: [Applicable] [Not Applicable]][]; [Collateral Asset Ranking: [●]][]; [Listed: [●] [Any Exchange]][]; [Minimum Time to Maturity [●]] and Maximum Time to Maturity [●]][]; [Concentration Limits: [●]][];	[●]	[●]

[Repeat rows as necessary]

(f) Relevant Static Collateral ISIN: [specify]

(g) Static Collateral Specified Percentage: [specify]

35. Secured W&C Instrument Provisions: [Applicable in accordance with Annex 10] [Not applicable]

(If not applicable, delete the remaining provisions of this section).

- (a) Collateral Valuation at Nominal Value [Applicable] [Not Applicable]
- (b) Collateral Valuation Currency: [specify]
- (c) Collateralisation Percentage: [specify]
- (d) Order of Priority: [Standard Order of Priority as defined in Annex 10] [(a),[specify alternative order of sub-paragraphs (b) – (e) as needed]].
- (e) Physical Delivery of Static Collateral Assets: [Applicable] [Not Applicable]
- (f) Eligibility Criteria: [Applicable. Only Initial Collateral Assets are Eligible] [Applicable. In respect of each Eligible Collateral Class, as specified in the relevant row of the Collateral Assets Table below:]

COLLATERAL ASSETS TABLE		
Eligible Collateral Class	Margin Percentage	[Concentration Limit]
[Debt Securities] [Equity Securities]; [Relevant ISIN: [●]][]; [Industry Sectors: [aerospace and defense;] [automobile;] [banking;] [beverage, food and tobacco;] [buildings and real estate;] [chemicals, plastics and rubber;] [containers, packaging and glass;] [personal and non durable consumer products (manufacturing only);] [diversified/conglomerate manufacturing;] [diversified/conglomerate service;] [diversified natural resources, precious metals;] [ecological;] [electronics;] [finance;] [farming and agriculture;] [grocery;] [healthcare, education and childcare;] [home and office furnishings, housewares and durable consumer products;] [hotels, motels, inns and gaming;] [insurance;] [leisure, amusement, entertainment;] [machinery (non-agriculture, non-construction, non-electronic);] [mining, steel, iron and non precious metals;] [oil and gas;] [personal, food and miscellaneous;] [printing and publishing;] [cargo transport;] [retail stores;] [telecommunications;] [textiles and leather;] [personal transportation;] [utilities;] [broadcasting and entertainment;] [sovereign and supranational]][]; [Relevant Issuer: [●]][]; [Jurisdiction of Incorporation: [●]][]; [Relevant Rating: [●]][]; [Minimum Outstanding Amount: [●]] [and Maximum Outstanding Amount [●]][]; [Relevant Currency: [●]][]; [ECB Eligible: [Applicable] [Not Applicable]][]; [Collateral Asset Ranking: [●]][]; [Listed: [●] [Any Exchange]][]; [Minimum Time to Maturity [●]] and Maximum Time to Maturity [●]][];	[●]	

• [Concentration Limits: [●]][.]		
----------------------------------	--	--

[Repeat rows as necessary]

- (g) Type of Collateralisation [MV Collateralisation] [NV Collateralisation] [Min (MV, NV) Collateralisation] [Max (MV, NV) Collateralisation]

GENERAL

36. Form of W&C Instruments:⁹ [The W&C Instruments are to be issued into and transferred through Euroclear and Clearstream, Luxembourg]

[Euroclear/CBL Global Registered Warrant exchangeable for Definitive Registered Warrant in the limited circumstances described in the Euroclear/CBL Global Registered Warrant]

[Euroclear/CBL Global Registered Certificate exchangeable for Definitive Registered Certificates in the limited circumstances described in the Euroclear/CBL Global Registered Certificate]

OR

[The W&C Instruments are to be issued into and transferred through Clearstream, Frankfurt]

[CBF Global Warrant]

[CBF Global Certificate]

OR

[The Warrants are eligible for sale in the United States to QIBs who are also QPs or to, or for the account or benefit of, United States Persons who are QIBs and also QPs]

[Regulation S/Rule 144A Global Warrant in registered form exchangeable for Definitive Registered Warrants in the limited circumstances described in the Regulation S/Rule 144A Global Warrant] [Rule 144A Global Warrant in registered form exchangeable for Definitive Registered Warrants in the limited circumstances described in the Rule 144A Global Warrant]

[The provisions of "Annex 8 – *Additional Terms and Conditions for Rule 144A Warrants*" shall apply]

[N.B. Only Cash Settled Warrants will be eligible for sale in the United States or to, or for the account or benefit of, United States Persons]

OR

[The Swedish W&C Instruments are to be issued into

⁹ If MLICo. is the Issuer of the Certificates, Certificates shall be initially issued in global form exchangeable for Definitive Certificates.

and cleared through the Swedish CSD.

The Swedish W&C Instruments will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*).]

OR

[The Finnish W&C Instruments are to be issued into and cleared through Euroclear Finland.

The Finnish W&C Instruments will be issued in dematerialised and uncertificated book entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta (749/2012)*), the Finnish Act on Book-Entry Accounts (in Finnish: *laki arvo-osuustileistä (827/1991)*) and the Euroclear Finland Rules.]

OR

[The CREST W&C Instruments are to be issued into and transferred through Euroclear UK.

The CREST W&C Instruments will be issued in uncertificated form in accordance with the Uncertificated Securities Regulations. The CREST W&C Instruments are participating securities for the purposes of the Uncertificated Securities Regulations.]

37. Eligibility for sale in the United States to QIBs who are also QPs or to, or for the account or benefit of, United States Persons who are QIBs and also QPs:
- The W&C Instruments are [not] eligible for sale in the United States to QIBs who are also QPs, or to, or for the account or benefit of, United States Persons who are QIBs and also QPs.

[(Where Cash Settled Index Linked Warrants or Cash Settled Share Linked Warrants are eligible for sale (a) in the United States to QIBs who are also QPs, or (b) to, or for the account or benefit of, United States Persons who are QIBs and also QPs, include the following:)]

- (a) [the Rule 144A Global Warrant will be held with [the U.S. Warrant Agent as custodian for DTC] [the Common Depositary]]/[the Regulation S/Rule 144A Global Warrant will be held with the Common Depositary]; and
- (b) the Warrants [may] [may not] be sold outside the United States to non-United States Persons [(such Warrants to be represented by a Regulation S/Rule 144A Global Warrant and deposited with the Common Depositary)].]

38. Payment Day (*Condition 6(B)*): [Following] [Modified Following]

39. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable] *[give details]*
- [– London:] [Not Applicable] *[Insert if London is excluded for the purposes of the "Payment Day" definition in Condition 6(B)]*
40. Payment Disruption (Condition 6(C)): [Applicable] [Not Applicable] *[if not applicable, delete the following sub-paragraphs]*
- (a) Payment Disruption Event: [Applicable] [Not Applicable]
- (b) CNY Payment Disruption Event: [Applicable] [Not Applicable] *[if not applicable, delete the following sub-paragraphs]*
- (i) CNY Settlement Centre: [The Hong Kong Special Administrative Region] [●]
- (ii) Extension: [Applicable] [Not Applicable]
- (iii) Payment Postponement: [Applicable] [Not Applicable]
- (iv) Payment of Equivalent Amount: [Applicable] [Not Applicable]
- (c) Base Currency: [As specified under paragraph [23] [25]] [●] *(N.B. insert Base Currency if not specified in paragraph 23 or 25)*
- (d) Subject Currency: [As specified under paragraph [23] [25]] [●] *(N.B. insert Subject Currency if not specified in paragraph 23 or 25)*
- (e) Specified Financial Centre(s): [As specified under paragraph [23] [25]] *(N.B. insert Specified Financial Centre if not specified in paragraph 23 or 25)*

DISTRIBUTION

41. The initial purchasers and name of applicable permitted dealer in the United States of the Warrants: [The dealer for the Warrants is *[name of applicable permitted dealer in the United States]*, acting as principal. *[Name of applicable permitted dealer in the United States]* does not receive any compensation for the sales in which it participates.] [Not Applicable]
- (N.B. Applicable where Cash Settled Index Linked Warrants or Share Linked Warrants which are not Secured W&C Instruments are eligible for sale (a) in the United States to QIBs who are also QPs or (b) to, or for the account or benefit of, United States Persons who are QIBs and also QPs)*
42. Method of distribution: [Syndicated] [Non-Syndicated]
- (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable] *[give names, addresses and underwriting commitments]*
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and*

names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)

- (b) Date of Subscription Agreement: [●] [Not Applicable]
43. If non-syndicated, name and address of relevant Dealer: [Not Applicable] *[give name and address]*
[Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom]
44. [Total commission and concession: [●]]
45. U.S. Selling Restrictions: *[Insert in the case of W&C Instruments other than Rule 144A Warrants or Regulation S/Rule 144A Global Warrants: The W&C Instruments may not be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States (including the U.S. states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, any United States Person. A "United States Person" means a person which is a "U.S. person" as defined by Regulation S under the U.S. Securities Act of 1933, as amended, or a "United States person" as defined by Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended, and in U.S. Treasury regulations.]*
- [Insert in the case of Rule 144A Global Warrants: The Warrants are eligible for sale to qualified institutional buyers (as defined in Rule 144A of the U.S. Securities Act of 1933, as amended) who are also qualified purchasers (within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended) (a "QIB"/"QP"), and such Warrants may only be subsequently offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, by such investors to or through the Issuer or Dealer to a QIB/QP and otherwise in compliance with Rule 144A.]*
- (N.B. Not applicable for Secured W&C Instruments)*
- [Insert in the case of Regulation S/Rule 144A Global Warrants: The Warrants are eligible for sale either (a) in an offshore transaction to investors who are not United States Persons, and such Warrants may not be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person or (b) to investors who are qualified institutional buyers (as defined in Rule 144A of the U.S. Securities Act of 1933, as amended (the "Securities Act")) and who are also qualified purchasers (within the meaning of*

Section 3(c)(7) and as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended) (a "**QIB**"/"**QP**"), and such Warrants may only be subsequently offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, by such investors to or through the Issuer or Dealer to a QIB/QP and otherwise in compliance with Rule 144A. A "**United States Person**" means a person which is a "U.S. person" as defined by Regulation S under the Securities Act or a "United States person" as defined by Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended, and in U.S. Treasury regulations.]

(N.B. Not applicable for Secured W&C Instruments)

46. Non-exempt Offer:

[Not Applicable] [Applicable: an offer of the W&C Instruments may be made other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*] ("**Public Offer Jurisdiction[s]**") during the period from [(and including)] [*specify date*] to [(and including)] [*specify date*] ("**Offer Period**") by [the/each] [Dealer] [Manager] [and the following financial intermediary(ies):] [.]]

[Name and address of financial intermediary:

(specify names and addresses of other financial intermediary(ies) making Non-Exempt Offer)]

(together, [with the [Dealer[s]] [Manager[s]]], the "**Initial Authorised Offerors**")

See further Paragraph 7 of Part B below.

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a Non-Exempt Offer in the relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-Exempt Offers may only be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified/passported.)

Signed on behalf of the Issuer:

By:
Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing and admission to trading: [Not Applicable] [Application [has been] [will be] [is expected to be] made by the Issuer (or on its behalf) for the W&C Instruments to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange/ London Stock Exchange plc/ Irish Stock Exchange/ Euronext Amsterdam by NYSE Euronext/ NASDAQ OMX Stockholm/ Nordic Derivatives Exchange Stockholm/ NASDAQ OMX Helsinki [with effect from, at the earliest the [Issue Date] [the date that [the] [each] Share is listed on the relevant Exchange]¹⁰. No assurances can be given that such application for listing will be granted, (or if granted, will be granted by the [Issue Date] [the date that [the] [each] Share is listed on the relevant Exchange]]¹¹)]

(N.B. W&C Instruments with over 364 days between Issue Date and Settlement Date and which are sold to UK investors must be listed on a "recognised stock exchange".)

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

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

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

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

(a) [Reasons for the offer: [●] (*See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here*)]

(b) Estimated net proceeds: [●] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*) [Not Applicable]

(c) Estimated total expenses: [●] (*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".*) [Not Applicable]

(N.B. (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks in this case disclosure of net proceeds and total expenses at (ii) and (iii) above is also

¹⁰ Include for Share Linked W&C Instruments, in respect of which the LEPW Conditions apply and pre-IPO Share is specified to be applicable.

¹¹ Include for Share Linked W&C Instruments, in respect of which the LEPW Conditions apply and pre-IPO Share is specified to be applicable.

required.)

4. **YIELD** (Certificates in respect of which "Periodic Additional Amounts" or "Fixed Additional Amount" is applicable)

Indication of yield: The yield is [●]

5. **PERFORMANCE OF THE UNDERLYING ASSET(S) AND OTHER INFORMATION CONCERNING THE UNDERLYING ASSET(S)**

[Need to include details of where past and future performance and volatility of [the] [each] Underlying Asset can be obtained].

[Where the Underlying Asset is an index need to include details of where the information about [the] [each] index can be obtained.]

6. **OPERATIONAL INFORMATION**

(a) ISIN: [The ISIN is set out in "Specific Provisions for each Series" above.]

(b) Common Code: [The Common Code is set out in "Specific Provisions for each Series" above.]

[(c)] Wertpapierkennnummer (WKN) [The WKN is set out in "Specific Provisions for each Series" above.]
(German Security Code):]

[(d)] Mnemonic *(insert in case of a listing on Euronext Paris S.A.):* [The Mnemonic is set out in "Specific Provisions for each Series" above.]

[(e)] *[(insert here any other relevant codes such as CUSIP and CNS codes):]* [●]

[(f)] Clearing System(s): [Euroclear Bank SA/NV] [and] [Clearstream Banking, *société anonyme*] [Clearstream Banking AG, Frankfurt am Main] [DTC] [Euroclear Sweden, Klarabergsviadukten 63, Box 191, SE-101 23 Stockholm, Sweden/*specify other duly authorised Swedish central securities depository under the Swedish CSD Rules*] [Euroclear Finland, Ltd] [Euroclear UK & Ireland Limited]

[(g)] Any clearing system(s) other than Euroclear Bank SA/NV., Clearstream Banking, *société anonyme*, Clearstream Banking AG, Frankfurt am Main, DTC, Euroclear UK & Ireland Limited, Euroclear Finland, Ltd and Euroclear Sweden or any duly authorised Swedish central securities depository under the Swedish CSD Rules, the relevant address(es) and the relevant identification number(s): [Not Applicable] *[give name(s), address(es) and number(s)]*

[(h)] [Names and addresses of initial Instrument Agents:]	[Bank of America, N.A. (operating through its London Branch) 2 King Edward Street London EC1A 1HQ United Kingdom] ¹²
	[Bank of America, N.A. 135 South LaSalle Street Chicago, IL 60603 United States of America] ¹³
	[BNP Paribas Securities Services S.C.A., Frankfurt Branch Zweigniederlassung Europa-Allee 12 60327 Frankfurt am Main Germany] ¹⁴
	[Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm Sweden] ¹⁵
	[Skandinaviska Enskilda Banken AB (publ), Helsinki Branch Unioninkatan 30 00100 Helsinki Finland] ¹⁶
	[Computershare Investor Services PLC The Pavilions Bridgewater Road Bristol BS13 8AE United Kingdom] ¹⁷
[(i)] Registrar:	[Merrill Lynch Equity S.à.r.l. Atrium Business Park 33 Rue du Puits Romain Bertrange L-8070 Grand Duchy of Luxembourg]
	[Not Applicable]

7. [TERMS AND CONDITIONS OF THE OFFER]

Offer Price: [Issue Price.] [*specify*] [The/Each] Authorised Offeror (as defined below) will offer and sell the W&C Instruments to their customers in accordance with arrangements in place between each such Authorised Offeror and its customers by reference to the Issue Price and market conditions prevailing at the time.

¹² Include in the case of all W&C Instruments.

¹³ Include in the case of Rule 144A Warrants.

¹⁴ Include in the case of W&C Instruments clearing through Clearstream, Frankfurt.

¹⁵ Include in the case of Swedish W&C Instruments.

¹⁶ Include in the case of Finnish W&C Instruments.

¹⁷ Include in the case of CREST W&C Instruments clearing through Euroclear UK.

Conditions to which the offer is subject:	[Offers of W&C Instruments are conditional on their issue and are subject to <i>[specify conditions]</i> . As between [the/each] Authorised Offeror and its customers, offers of the W&C Instruments are further subject to such conditions as may be agreed between them and/or as is specified in the arrangements in place between them.]
Description of the application process:	[An Investor (as defined in the Summary) will purchase the W&C Instruments in accordance with the arrangements in place between the [relevant] Authorised Offeror and its customers relating to the purchase of securities generally. Investors will not enter into any contractual arrangements directly with the Issuer in connection with the offer or purchase of the W&C Instruments.]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not Applicable] <i>[give details]</i>
Details of the minimum and/or maximum amount of application:	There are no pre-identified allotment criteria. [The /Each] Authorised Offeror will adopt allotment and/or application criteria in accordance with customary market practices and applicable laws and regulations [and/or as otherwise agreed between them.]
Details of the method and time limits for paying up and delivering the W&C Instruments:	[The W&C Instruments will be purchased by [the/each] Authorised Offeror from the Issuer on a delivery [against] [free of] payment basis on the Issue Date. Prospective Investors will be notified by the [relevant] Authorised Offeror of their allocations of W&C Instruments and the settlement arrangements in respect thereof.]
Manner in and date on which results of the offer are to be made public:	[Not Applicable] <i>[give details]</i>
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable] <i>[give details]</i>
Whether tranche(s) have been reserved for certain countries:	[Not Applicable] <i>[give details]</i>
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	[Prospective Investors will be notified by the [relevant] Authorised Offeror in accordance with the arrangements in place between the [relevant] Authorised Offeror and its customers. Any dealings in the W&C Instruments that takes place will be at the risk of the prospective Investor.]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] <i>[give details]</i>

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:

[The Initial Authorised Offeror[s] identified in paragraph 42 above [and any additional financial intermediaries who have or who obtain the Issuer's consent to use the Base Prospectus in connection with the Non-exempt Offer (as defined in the Summary) and who are identified on the website of the Issuer as an Authorised Offeror] (together, the "**Authorised Offerors**")]

Name(s) and address(es) of the entities which have a firm commitment to act as intermediaries in secondary market trading, providing liquidity through bid and offer rates:

[Not Applicable] [*give details*]

8. **[INDEX DISCLAIMER]**

[*In the case of Index Linked W&C Instruments, insert the relevant index disclaimer*]]

TERMS AND CONDITIONS OF THE W&C INSTRUMENTS

The following is the text of the Terms and Conditions of the W&C Instruments which will apply to each issue of W&C Instruments and which will include the Additional Terms and Conditions (as defined below) if and to the extent specified in the applicable Final Terms. The Registration Document (the "Registration Document") relating to the Programme and applicable Summary (if applicable) and Securities Note (the "Securities Note"), relating to a particular Series of W&C Instruments may also be used in connection with the issue of W&C Instruments under the Programme and such applicable Securities Note may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such W&C Instruments. To the extent that W&C Instruments are issued pursuant to a Securities Note, references in the following Terms and Conditions to the "Final Terms" shall be read as references to the "Securities Note" in respect of such series of W&C Instruments, and all such references shall be construed accordingly.

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W&C Instruments, Warrants and Certificates

The Series of W&C Instruments described in the applicable Final Terms (insofar as it relates to such Series of W&C Instruments) (such W&C Instruments being hereinafter referred to as the "**W&C Instruments**") are issued by whichever of Merrill Lynch B.V. ("**MLBV**") or Merrill Lynch International & Co. C.V. ("**MLICo.**") is specified as the Issuer in the applicable Final Terms (the "**Issuer**") and references to the Issuer shall be construed accordingly. W&C Instruments will be either warrants ("**Warrants**") or certificates ("**Certificates**"), as specified in the applicable Final Terms, and

references in these Terms and Conditions to "W&C Instrument", "W&C Instruments", "Warrant", "Warrants", "Certificate" and "Certificates" will be construed accordingly.

MLBV shall only issue Certificates. MLICo. may issue Warrants and Certificates.

Agents and Agency Agreement

The W&C Instruments are issued pursuant to an Amended and Restated Agency Agreement dated 10 August 2015 (the "**Agency Agreement**") among, *inter alios*, MLBV, MLICo., Bank of America Corporation ("**BAC**" or the "**Guarantor**") as guarantor, Bank of America, N.A. (operating through its London Branch) as principal paying agent (in such capacity, the "**Principal Paying Agent**"), Bank of America, N.A. (operating through its London Branch) as principal warrant agent (in such capacity, the "**Principal Warrant Agent**"), Bank of America, N.A. as U.S. warrant agent (in such capacity, the "**U.S. Warrant Agent**"), BNP Paribas Securities Services S.C.A., Frankfurt Branch as Frankfurt warrant agent (in such capacity, the "**Frankfurt Warrant Agent**"), Bank of America, N.A. (operating through its London Branch) as principal certificate agent (in such capacity, the "**Principal Certificate Agent**", which expression shall include any successor principal certificate agent), BNP Paribas Securities Services S.C.A., Frankfurt Branch as Frankfurt certificate agent (in such capacity, the "**Frankfurt Certificate Agent**"), Skandinaviska Enskilda Banken AB (publ) as Swedish instrument agent (in such capacity, the "**Swedish Instrument Agent**"), Skandinaviska Enskilda Banken AB (publ), Helsinki Branch as Finnish instrument agent (in such capacity, the "**Finnish Instrument Agent**"), Computershare Investor Services PLC as CREST agent (in such capacity, the "**CREST Agent**") and Merrill Lynch Equity S.à.r.l. as registrar in respect of Warrants and Certificates (in such capacity, the "**Registrar**").

In connection with each issue of Warrants, references herein to the "**Principal Instrument Agent**" and the "**Frankfurt Instrument Agent**" shall be deemed to be references to the Principal Warrant Agent and the Frankfurt Warrant Agent, respectively, where the context permits and references to "**Instrument Agents**" shall be deemed to be references to such agents, the U.S. Warrant Agent, the Swedish Instrument Agent, the Finnish Instrument Agent and the CREST Agent and any additional or successor to such agents appointed pursuant to the Agency Agreement collectively.

In connection with each issue of Certificates, references herein to the "**Principal Instrument Agent**" and the "**Frankfurt Instrument Agent**" shall be deemed to be references to the Principal Certificate Agent and the Frankfurt Certificate Agent, respectively, where the context permits and references to "**Instrument Agents**" shall be deemed to be references to such agents, the Swedish Instrument Agent, the Finnish Instrument Agent and the CREST Agent and any additional or successor to such agents appointed pursuant to the Agency Agreement collectively.

Merrill Lynch International shall undertake the duties of calculation agent (the "**Calculation Agent**") in respect of the W&C Instruments unless another entity is so specified as the calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant W&C Instruments, include such other specified calculation agent.

Final Terms

The applicable Final Terms (the "**Final Terms**") for the W&C Instruments completes these Terms and Conditions (the "**Terms and Conditions**", or the "**Conditions**") and will specify which of the Terms and Conditions (including the Additional Terms and Conditions) apply to the W&C Instruments. References herein to the "**applicable Final Terms**" are to Part A of the Final Terms or each Final Terms (in the case of any further instruments issued pursuant to Condition 14 (*Further Issues*) and forming a single Series with the W&C Instruments) (which for the avoidance of doubt may be issued in respect of more than one Series of W&C Instruments) attached to the Global W&C Instrument or to the Definitive W&C Instrument, as the case may be, or constituting a part of such W&C Instruments and made available as provided in the preceding paragraph insofar as it relates to the W&C Instruments.

Except in the case of Swedish W&C Instruments, Finnish W&C Instruments and CREST W&C Instruments (each as defined below), the applicable Final Terms for the W&C Instruments are attached to or incorporated by reference into the Global W&C Instrument or to the Definitive W&C Instruments, as the case may be. In the case of Swedish W&C Instruments, Finnish W&C Instruments and CREST W&C Instruments, the applicable Final Terms (which for the avoidance of doubt may be

issued in respect of more than one Series of Swedish W&C Instruments or Finnish W&C Instruments) for the Swedish W&C Instruments, Finnish W&C Instruments or CREST W&C Instruments, as applicable, will constitute a part of such Instruments and will be available from Merrill Lynch International, 2 King Edward Street, London EC1A 1HQ.

Additional Terms and Conditions

The additional Terms and Conditions contained in (i) Annex 1 in respect of settlement (the "**Product Conditions**") and (ii) Annex 2 in the case of Index Linked Instruments, Annex 3 in the case of Share Linked Instruments, Annex 4 in the case of GDR/ADR Linked Instruments, Annex 5 in the case of Fund Linked Instruments, Annex 6 in the case of Hybrid Basket Linked Instruments and Annex 8 in the case of Rule 144A Warrants (the "**Underlying Asset Conditions**") and (iii) Annex 9 or Annex 10 in the case of Secured W&C Instruments (the "**Secured W&C Instruments Conditions**") and, together with the Product Conditions and the Underlying Asset Conditions, the "**Additional Terms and Conditions**") will apply to the W&C Instruments to the extent specified in the applicable Final Terms, and such Additional Terms and Conditions, as applicable, shall form part of the Terms and Conditions.

Conflicts

In the event of any inconsistency between (i) these Terms and Conditions of the W&C Instruments or the relevant Underlying Asset Conditions (as defined above) and (ii) the Product Conditions (as defined above), the Product Conditions shall prevail.

Series

"**Series**" means W&C Instruments which are identical in all respects (including as to listing and admission to trading), together with any further W&C Instruments which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates and/or Issue Prices.

W&C Instrument holders and Holders

Any reference to "**W&C Instrument holders**" or "**Holders**" in relation to any W&C Instruments shall mean the holders of the W&C Instruments.

Guarantee

The payment of all amounts payable and/or delivery of non-cash consideration deliverable by the Issuer in respect of the W&C Instruments (other than Secured W&C Instruments) are unconditionally and irrevocably guaranteed by BAC pursuant to the guarantee dated 10 August 2015, executed by BAC (the "**Guarantee**"). The original of the Guarantee is held by Bank of America, N.A. (operating through its London Branch) at its office currently at 2 King Edward Street, London EC1A 1HQ. Secured W&C Instruments issued by MLICO. will not benefit from the Guarantee.

Programme Documents

The W&C Instrument holders are entitled to the benefit of the W&C Instruments Deed of Covenant (the "**W&C Instruments Deed of Covenant**") dated 10 August 2015 and made by the Issuer. The original of the W&C Instruments Deed of Covenant is held by a common depositary for Euroclear and Clearstream, Luxembourg (each as defined below) (the "**Common Depositary**").

Copies of the Agency Agreement, the Guarantee and the W&C Instruments Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Instrument Agents. Copies of the applicable Final Terms are available for viewing at the specified office of the Issuer or the Instrument Agents and copies may be obtained from those specified offices save that, if the W&C Instrument is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a W&C Instrument holder holding one or more of such Series of W&C Instruments and such W&C Instrument holder must produce evidence satisfactory to the Issuer or the relevant Instrument Agent as to its ownership of such Series of W&C Instruments and identity. The Base Prospectus and, in the case of W&C Instruments admitted to trading on the regulated market of the Luxembourg Stock Exchange,

the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Base Prospectus will also be published on the website of the Issuer (www.invest.baml.com).

Holders deemed to have notice of and be bound by the Agency Agreement and Final Terms

The Holders are entitled to the benefit of, and are deemed to have notice of and are bound by, all the provisions of the Agency Agreement (insofar as they relate to the relevant W&C Instruments) and the applicable Final Terms, which are binding on them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Interpretation

Words and expressions defined in the initial italicised paragraph of the "*Terms and Conditions of the W&C Instruments*", the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Type, Title and Transfer

(A) Type

W&C Instruments may be issued in registered form ("**Registered W&C Instruments**") or uncertificated or dematerialised form. Registered W&C Instruments will be represented by Global W&C Instruments or Definitive W&C Instruments, in accordance with these Terms and Conditions of the W&C Instruments. W&C Instruments to be issued into and transferred through accounts at Clearstream, Frankfurt (as defined below) will be constituted by a CBF Global W&C Instrument in bearer form, provided, however, that the CBF Global W&C Instruments will be treated as in registered form for United States federal income tax purposes.

The W&C Instruments relate to a specified Index or basket of Indices ("**Index Linked W&C Instruments**"), a specified Share or basket of Shares ("**Share Linked W&C Instruments**"), a specified American depositary receipt (an "**ADR**") and/or global depositary receipt (a "**GDR**") representing interests in a share (the "**Underlying Share**") or basket of such GDRs and/or ADRs ("**GDR/ADR Linked W&C Instruments**"), a specified fund share or unit or basket of fund shares or units ("**Fund Linked W&C Instruments**") or a basket comprising any combination of the foregoing ("**Instruments Linked to Basket of Hybrid Assets**"). The W&C Instruments issued by MLICo. may be secured by a segregated pool of Collateral Assets (the "**Secured W&C Instruments**"). The applicable Final Terms will specify which of the Additional Terms and Conditions for Index Linked Instruments, the Additional Terms and Conditions for Share Linked Instruments, the Additional Terms and Conditions for GDR/ADR Linked Instruments, the Additional Terms and Conditions for Fund Linked Instruments, the Additional Terms and Conditions for Instruments Linked to Basket of Hybrid Assets and/or the Additional Terms and Conditions for Rule 144A Warrants and/or the Additional Terms and Conditions for Secured W&C Instruments, in each case set out in the Annexes to these Conditions, apply to the W&C Instruments.

The applicable Final Terms will indicate whether settlement shall be by way of cash payment ("**Cash Settled W&C Instruments**") or by physical delivery ("**Physical Delivery W&C Instruments**") and whether averaging ("**Averaging**") will apply to the W&C Instruments.

If Averaging is specified as applicable in the applicable Final Terms, the applicable Final Terms will state the relevant Averaging Dates and, in respect of Index Linked W&C Instruments, Share Linked W&C Instruments, W&C Instruments linked to Funds which are Exchange Traded Funds and Instruments Linked to Basket of Hybrid Assets, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement applies.

Unless the context otherwise requires, references in these Terms and Conditions to Cash Settled W&C Instruments shall be deemed to include references to Physical Delivery W&C Instruments which include an option (as set out in the applicable Final Terms) at the Issuer's

election to request cash settlement of such W&C Instrument and where settlement is to be by way of cash payment, and references in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery W&C Instruments shall be deemed to include references to Cash Settled W&C Instruments which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant Underlying Asset in settlement of such W&C Instrument and where settlement is to be by way of physical delivery.

(B) *Title to W&C Instruments*

Subject as set out below, title to the Registered W&C Instruments will, subject to mandatory rules of law, 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. Title to W&C Instruments in uncertificated or dematerialised form will pass as described below for each such type of W&C Instruments.

In the case of W&C Instruments that are represented by a Global W&C Instrument, each person who is for the time being shown in the records of a Clearing System as the holder of a particular number or nominal amount, as the case may be, of W&C Instruments (in which regard any certificate or other document issued by such Clearing System as to the number or nominal amount, as the case may be, of W&C Instruments standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, (if applicable) the Guarantor and any Instrument Agent as the holder of such number or nominal amount, as the case may be, of W&C Instruments for all purposes other than (except in the case of CBF Global W&C Instruments) with respect to the payment of principal or additional amounts on such number, or nominal amount, as the case may be, of such W&C Instruments, for which purpose the person recorded in the Register (in the case of Registered W&C Instruments) shall be treated by the Issuer, (if applicable) the Guarantor, the Registrar and any Instrument Agent as the Holder of such number, or nominal amount, as the case may be, of such W&C Instruments in accordance with and subject to the terms of the relevant W&C Instrument (and the expression "**Holder**" and related expressions shall be construed accordingly).

In the case of Registered W&C Instruments that are represented by a Global W&C Instrument, the Registrar will maintain the Register in accordance with the terms of the Agency Agreement. An individual certificate ("**individual certificate**") will be issued to each holder of Definitive Registered Certificates in respect of its registered holding. An individual warrant certificate ("**individual warrant certificate**") will be issued to each holder of Definitive Registered Warrants in respect of its registered holding. Each individual certificate and individual warrant certificate will be numbered serially with an identifying number which will be recorded in the register. Each holder for the time being registered in the Register (or in the case of a joint holding, the first named thereof) shall be treated by the Issuer, (if applicable) the Guarantor, the Registrar and any Instrument Agent as the Holder of such number, or nominal amount, as the case may be, of such W&C Instruments in accordance with and subject to the terms of the relevant W&C Instrument (and the expression "**Holder**" and related expressions shall be construed accordingly).

In the case of Swedish W&C Instruments, the holder of any such W&C Instrument will be the person in whose name such W&C Instrument is registered in the Swedish Register in accordance with the Swedish CSD Rules and the reference to a person in whose name a Swedish W&C Instrument is so registered shall include any person duly authorised to act as a nominee (in Swedish: *förvaltare*) and registered as such for the Swedish W&C Instruments and except as ordered by a court of competent jurisdiction or as required by law, such holder of such W&C Instrument shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder (and the expression "**Holder**" and related expressions shall be construed accordingly). The Issuer shall be entitled to obtain information from the Swedish Register in accordance with the Swedish CSD Rules.

In the case of Finnish W&C Instruments, the holder of any such W&C Instrument will be the person in whose name such W&C Instrument is registered in the Finnish Register in

accordance with the Euroclear Finland Rules and the person in whose name a Finnish W&C Instrument is so registered shall include any person duly authorised to act as nominee and registered as such for the Finnish W&C Instruments and except as ordered by a court of competent jurisdiction or as required by law, such holder of such W&C Instrument shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating such holder (and the expression "**Holder**" and related expressions shall be construed accordingly). The Issuer and the Finnish Instrument Agent shall be entitled to obtain information from the Finnish Register in accordance with the Euroclear Finland Rules.

In the case of CREST W&C Instruments, title to such CREST W&C Instruments is recorded on the relevant Operator register of corporate securities. The CREST Agent on behalf of the Issuer shall maintain a record of uncertificated corporate securities (the "**Record**") in relation to the CREST W&C Instruments and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the Holder of a particular number of CREST W&C Instruments shall be treated by the Issuer, (if applicable) the Guarantor and any Instrument Agent as the Holder of such number of CREST W&C Instruments for all purposes (and the expression "**Holder**" and related expressions shall be construed accordingly), and (ii) neither the Issuer, (if applicable) the Guarantor nor any Instrument Agent 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 Record which the CREST Agent maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the CREST W&C Instruments.

No provisions of these Terms and Conditions as completed by the applicable Final Terms (notwithstanding anything contained therein) shall apply or have effect if it is in any respect inconsistent with (i) the holding of title to the CREST W&C Instruments in uncertificated form, (ii) the transfer of title to the CREST W&C Instruments by means of a relevant system, or (iii) the Uncertificated Securities Regulations (as defined below). Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Terms and Conditions or the applicable Final Terms, so long as the CREST W&C Instruments are participating securities, (a) any CREST W&C Instrument which is not for the time being in all respects (save as to Issue Price and Issue Date) identical to, or does not for the time being have rights attached thereto identical in all respects to those attached to, other CREST W&C Instruments of the same series shall be deemed to constitute a separate series of CREST W&C Instruments, (b) the Operator register of corporate securities relating to the CREST W&C Instruments shall be maintained at all times in the United Kingdom, (c) the CREST W&C Instruments may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Securities Regulations; and (d) for the avoidance of doubt, the Terms and Conditions and the applicable Final Terms in relation to any CREST W&C Instrument shall remain applicable notwithstanding that they are not endorsed on any certificate for such CREST W&C Instrument.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Uncertificated Securities Regulations and the relevant "**Operator**" (as such term is used in the Uncertificated Securities Regulations) is Euroclear UK & Ireland ("**Euroclear UK**") or any additional or alternative operator from time to time approved by the Issuer, the Guarantor and the CREST Agent in relation to the CREST W&C Instruments and in accordance with the Uncertificated Securities Regulations. Any reference herein to the Operator shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the Holders in accordance with Condition 12 (*Notices*).

(C) *Transfers of W&C Instruments*

(a) *Global W&C Instruments*

In the case of W&C Instruments that are represented by a Global W&C Instrument, which is held by a Clearing System, all transactions (including permitted transfers of W&C Instruments) in the open market or otherwise must be effected through an account at such Clearing System subject to and in accordance with the rules and procedures for the time being of such Clearing System. Title will pass upon registration of the transfer in the books of each Clearing System.

(b) *Definitive W&C Instruments in registered form*

In the case of Definitive W&C Instruments in registered form, the Registrar will maintain the Register in accordance with the provisions of the Agency Agreement. Transfers of Definitive Registered Certificates in registered form are effected upon (i) the surrender (at the specified office of the Principal Instrument Agent) of the individual certificate representing such Definitive Registered Certificates to be transferred together with the form of transfer (which shall be available at the specified office of the Principal Instrument Agent) endorsed on such individual certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Principal Instrument Agent may reasonably require, (ii) the recording of such transfer in the Register and (iii) issuance of a new individual certificate or certificates to the transferee or transferees. Transfers of Definitive Registered Warrants in registered form are effected upon (i) the surrender (at the specified office of the Principal Instrument Agent) of the individual warrant certificate representing such Definitive Registered Warrants to be transferred together with the form of transfer (which shall be available at the specified office of the Principal Instrument Agent) endorsed on such individual warrant certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Principal Instrument Agent may reasonably require, (ii) the recording of such transfer in the Register and (iii) issuance of a new individual warrant certificate or certificates to the transferee or transferees.

(c) *Swedish W&C Instruments, Finnish W&C Instruments and CREST W&C Instruments*

In the case of Swedish W&C Instruments, the W&C Instruments will be issued, cleared, settled and transferable only in accordance with the provisions of the Swedish CSD Rules. Title to Swedish W&C Instruments will pass by registration in the Swedish Register. Where a nominee is registered as a holder of Swedish W&C Instruments it shall be treated for all purposes as the holder of such Swedish W&C Instruments.

In the case of Finnish W&C Instruments, the W&C Instruments shall be issued, cleared, settled and transferable only in accordance with the provisions of the Euroclear Finland Rules. Title to Finnish W&C Instruments will pass by registration in the Finnish Register. Where a nominee is registered as a holder of Finnish W&C Instruments it shall be treated for all purposes as the holder of such Finnish W&C Instruments.

In the case of CREST W&C Instruments, all transactions (including transfers of CREST W&C Instruments) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator. Title will pass upon registration of the transfer in the Operator register of corporate securities.

Any reference herein to Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or Clearstream Banking AG, Frankfurt am Main ("**Clearstream, Frankfurt**"), Euroclear Sweden AB ("**Euroclear Sweden**"), Euroclear

Finland, Ltd ("**Euroclear Finland**") or Euroclear UK shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Instrument Agent, from time to time and notified to the Holders in accordance with Condition 12 (*Notices*).

2. Status of the W&C Instruments and Guarantee

The W&C Instruments (other than Secured W&C Instruments) constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank equally among themselves and rank equally (subject to such exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and unsecured obligations of the Issuer.

The Secured W&C Instruments constitute direct, unsubordinated, limited recourse and unconditional obligations of MLICo., secured in respect of the relevant Collateral Assets, and rank equally among themselves and rank equally (subject to such exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, limited recourse, unconditional and secured obligations of MLICo.

The obligations of the Guarantor under the Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, will rank *pari passu* with its other present and future unsecured and unsubordinated obligations.

3. Guarantee

Under the Guarantee, the Guarantor has unconditionally and irrevocably guaranteed to the Holders, (i) the due and punctual payment of any and all amounts payable by the Issuer as obligor in respect of the W&C Instruments (except for Secured W&C Instruments which it does not guarantee) and/or (ii) subject as provided below, the due and punctual delivery of non-cash consideration deliverable by the Issuer in respect of the W&C Instruments (except for Secured W&C Instruments which it does not guarantee), if applicable, when and as the same shall become due and payable or when the same shall become due for delivery, as the case may be, pursuant to the Conditions and to the extent provided in the Guarantee. The Secured W&C Instruments will not have the benefit of the Guarantee. As more fully set forth in the Guarantee, the Guarantor shall at all times have the right, at its sole and unfettered discretion, to elect not to deliver or procure delivery of the Entitlement to the Holders of Physical Delivery W&C Instruments (which term, as it relates to the Guarantee and the Guarantor, does not include Secured W&C Instruments) when the same shall become due and deliverable, but in lieu thereof, to pay an amount in cash equal to the Guaranteed Cash Settlement Amount. The "**Guaranteed Cash Settlement Amount**" in respect of each W&C Instrument (other than any Secured W&C Instruments) means an amount calculated pursuant to the terms of, or as specified in, the applicable Securities Note or, if not specified in the applicable Securities Note or if Final Terms apply to such W&C Instrument, an amount equal to the fair market value of the Entitlement in respect of such W&C Instrument on any date notified as such by the Guarantor to the Issuer and the Calculation Agent, less the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as determined by the Guarantor in its sole and absolute discretion. Any payment of the Guaranteed Cash Settlement Amount in lieu of the Entitlement shall constitute a complete discharge of the Guarantor's obligations in respect of such Physical Delivery W&C Instruments.

4. Definitions

For the purposes of these Terms and Conditions, the following general definitions will apply:

"**Actual Exercise Date**" means the Exercise Date (in the case of European Style Warrants or Certificates), or, subject to Condition 24(F)(a)(ii), the date during the Exercise Period on which the Warrant is actually or is deemed exercised (in the case of American Style Warrants (as more fully set out in Condition 23(A)(a) (*American Style Warrants*)).

"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 Notional Amount" has the meaning given to it in the applicable Final Terms.

"Business Day" means:

- (a) a day (other than a Saturday or Sunday) on which:
 - (i) commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s), specified in the applicable Final Terms, provided that if the Business Day Centre(s) is specified in the applicable Final Terms to be or to include "TARGET", then Business Day shall also be a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system or any successor thereto (the **"TARGET2 System"**) is operating and, if the W&C Instruments are (A) Swedish W&C Instruments, in Stockholm or (B) Finnish W&C Instruments, in Helsinki; and
 - (ii) each Clearing System is open for business; and
- (b) for the purposes of making payments in euro, a day on which the TARGET2 System is operating; and
- (c) for the purposes of making payments in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Hong Kong Special Administrative Region.

"Cash Settlement Amount" means, in relation to a Cash Settled W&C Instrument, the amount (which may never be less than zero) which the Holder is entitled to receive on the Settlement Date in the Settlement Currency in relation to each such W&C Instrument, or, in the case of Warrants, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the applicable provisions set out in "Annex 1 – *Additional Product Terms and Conditions*". The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with W&C Instruments exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such W&C Instruments.

"CBF Global W&C Instruments" means the CBF Global Certificates and the CBF Global Warrants, each a **"CBF Global W&C Instrument"**.

"Clearing System" means:

- (a) in respect of W&C Instruments represented by a Euroclear/CBL Global W&C Instrument, Euroclear and/or Clearstream, Luxembourg;
- (b) in respect W&C Instruments represented by a CBF Global W&C Instrument, Clearstream, Frankfurt;
- (c) in respect of Swedish W&C Instruments, the Swedish CSD;
- (d) in respect of CREST W&C Instruments, Euroclear UK; or
- (e) in respect of Finnish W&C Instruments, Euroclear Finland.

"CREST W&C Instruments" means the CREST Warrants and the CREST Certificates (each as defined below) and each a **"CREST W&C Instrument"**.

"Definitive Registered Certificates" means a Certificate in definitive registered form.

"Definitive Registered Warrants" means a Warrant in definitive registered form.

"Definitive W&C Instruments" means the Definitive Registered Certificates and the Definitive Registered Warrants.

"Entitlement" means the quantity of the Relevant Asset or Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such W&C Instrument or Unit, as the case may be, in accordance with the Conditions, as determined by the Calculation Agent and includes any documents evidencing such Entitlement.

"Euroclear/CBL Global W&C Instruments" means the Euroclear/CBL Global Registered Certificates and the Euroclear/CBL Global Registered Warrants, each a **"Euroclear/CBL Global W&C Instrument"**.

"Euroclear Finland Rules" means Finnish laws, regulations, decisions and operating procedures from time to time applicable to the Finnish W&C Instruments and/or issued by Euroclear Finland.

"Exercise Date" has the meaning given to it in Part 2 (*W&C Instruments Product Conditions*) of "Annex 1 - Additional Product Terms and Conditions".

"Exercise Price" means the price specified as the Exercise Price in the applicable Final Terms provided that if the "Exercise Price" is specified to be not applicable in the applicable Final Terms, then it shall be deemed that no Exercise Price is payable.

"FATCA Provisions" means Section 1471 through 1474 of the Code (or any successor provisions), any regulation, pronouncement, or agreement thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, whether currently in effect or as published and amended from time to time.

"Finnish Register" means the book-entry register maintained by Euroclear Finland on behalf of the Issuer in respect of Finnish W&C Instruments in accordance with the Euroclear Finland Rules.

"Finnish W&C Instruments" means (a) in the case of Warrants, Finnish Warrants (as defined in Condition 21 (*Form of Warrants*)) or (b) in the case of Certificates, Finnish Certificates (as defined in Condition 27 (*Form of Certificates*)).

"Global W&C Instrument" means (a) in the case of an issue of Warrants, the Global Warrant (as defined in Condition 21 (*Form of Warrants*)) representing such Warrants and (b) in the case of an issue of Certificates, the Global Certificate (as defined in Condition 27 (*Form of Certificates*)) representing such Certificates.

"Notional Amount" has the meaning given to it in the applicable Final Terms.

"Register" means the register held by the Registrar in respect of Registered W&C Instruments.

"Regulation S" means Regulation S under the Securities Act.

"Relevant Assets" means the underlying asset(s) which may be delivered or distributed by the Issuer in accordance with the Conditions.

"Settlement Business Day" means any day on which the relevant Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"Settlement Currency" means the currency specified in the applicable Final Terms.

"Settlement Date" has the meaning given to it in Part 2 (*W&C Instruments Product Conditions*) of "Annex 1 - Additional Product Terms and Conditions", unless LEPW

Conditions are specified as applicable in the applicable Final Terms, in which case "Settlement Date" has the meaning given to it in Part 3 (*Additional Terms and Conditions for Low Exercise Price Warrants*) of "Annex 1 - *Additional Product Terms and Conditions*".

"**Swedish CSD**" means the Swedish central securities depository (*central värdepappersförvarare*) which is expected to be Euroclear Sweden.

"**Swedish CSD Rules**" means the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998:1479) om kontoföring av finansiella instrument*) and any regulations, rules and operating procedures applicable to and/or issued by the Swedish CSD from time to time.

"**Swedish Register**" means the book-entry register maintained by the Swedish CSD on behalf of the Issuer in respect of Swedish W&C Instruments in accordance with the Swedish CSD Rules.

"**Swedish W&C Instruments**" means (a) in the case of Warrants, Swedish Warrants (as defined in Condition 21 (*Form of Warrants*)) or (b) in the case of Certificates, Swedish Certificates (as defined in Condition 27 (*Form of Certificates*)).

"**Uncertificated Securities Regulations**" means the United Kingdom Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force.

"**Unit**" has meaning given in the applicable Final Terms.

"**United States**" means the United States of America (including the states and the District of Columbia), its territories and possessions.

"**United States Person**" means a person which is a "U.S. person" as defined by Regulation S under the Securities Act or a "United States person" as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended and in U.S. Treasury regulations.

5. **General provisions relating to Physical Settlement in respect of W&C Instruments (other than Rule 144A Warrants)**

(A) *Settlement Disruption*

If, in the opinion of the Calculation Agent, delivery of the Entitlement in accordance with the Conditions is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such W&C Instruments shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Instruments or Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement. For so long as delivery of the Entitlement 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 and discharge its obligations in respect of the relevant W&C Instruments or Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the third Business Day following the date that notice of such election is given to the Holders in accordance with Condition 12 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 12 (*Notices*) that a Settlement Disruption Event has occurred provided that any failure to give, or non-receipt of,

such notice will not affect the validity of any such Settlement Disruption Event. No Holder shall be entitled to any payment in respect of the relevant W&C Instrument or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or the Guarantor.

For the purposes hereof:

"Disruption Cash Settlement Price" in respect of any relevant W&C Instruments or Unit, as the case may be, shall be the fair market value of such W&C Instruments or Unit, as the case may be, (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such duly delivered Relevant Assets), less the cost to the Issuer and/or its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Issuer in its sole and absolute discretion, plus, in the case of Warrants and if already paid, the Exercise Price (or, where, as provided above, some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

"Settlement Disruption Event" means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Relevant Asset(s) in accordance with Condition 24(C)(b) (*Physical Delivery Warrants*) in the case of Warrants or Condition 29(A) (*Exercise*) in the case of Certificates.

(B) *Failure to Deliver due to Illiquidity*

If "Failure to Deliver due to Illiquidity" is specified as applicable in the applicable Final Terms and, following the exercise of Physical Delivery W&C Instruments, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **"Affected Relevant Assets"**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **"Failure to Deliver due to Illiquidity"**), then:

- (a) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date and, in the case of Warrants, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (b) 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 to satisfy its obligations in respect of the relevant W&C Instruments or Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 12 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 12 (*Notices*) that the provisions of this Condition 5(B) apply.

For the purposes hereof:

"Failure to Deliver Settlement Price" means, in respect of any relevant W&C Instrument or Unit, as the case may be, the fair market value of such W&C Instrument or Unit, as the case may be (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates or agents of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, in the case of Warrants and if already paid, the Exercise Price (or, where, as provided above, some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

(C) *Issuer's Option to Vary Settlement*

If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the W&C Instruments, upon a valid exercise of W&C Instruments in accordance with these Terms and Conditions, the Issuer may, at its sole and unfettered discretion, in respect of each such W&C Instrument or Unit elect not to pay the relevant Holders the Cash Settlement Amount or not to deliver or procure delivery of the Entitlement, as the case may be, to the relevant Holders but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Holders. Notification of such election will be given to Holders in accordance with Condition 12 (*Notices*) no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

6. **General provisions relating to Settlement**

(A) *General Provisions*

None of the Issuer, (if applicable) the Guarantor, the Calculation Agent, the Instrument Agents and the Registrar shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

Exercise of the W&C Instruments is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, (if applicable) the Guarantor or any of its Affiliates, the Instrument Agents and the Registrar shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, (if applicable) the Guarantor or any of its Affiliates, the Instrument Agents and the Registrar shall under any circumstances be liable for any acts or defaults of Euroclear; Clearstream, Luxembourg; Clearstream, Frankfurt; the Swedish CSD; Euroclear Finland or Euroclear UK in relation to the performance of their duties in relation to the W&C Instruments.

The purchase of W&C Instruments does not confer on any holder of such W&C Instruments any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(B) *Payment Day*

If the date for payment of any amount in respect of any W&C Instrument is not a Payment Day, the Holder thereof shall not be entitled to payment until (i) if "Following" is specified in the applicable Final Terms, the next following Payment Day or (ii) if "Modified Following" is specified in the applicable Final Terms, the next following Payment Day unless that Payment Day falls in the next calendar month, in which case the first preceding Payment Day, in the relevant place and shall not be entitled to further interest or other payment in respect of such delay or amendment. For these purposes, "**Payment Day**" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchanges and foreign currency deposits) in:

- (a) the principal financial centre of the country of the relevant Settlement Currency (or (A) in the case of an amount payable in euro, a day on which the TARGET2 System is operating or (B) in the case of an amount payable in CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the CNY Settlement Centre);
- (b) each Additional Financial Centre specified in the applicable Final Terms, provided that if the Additional Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Payment Day shall also be a day on which the TARGET2 System is operating; and
- (c) London, unless specified as not applicable in the applicable Final Terms.

(C) *Payment Disruption*

(a) *Occurrence of a Payment Disruption Event or a CNY Payment Disruption Event*

If the applicable Final Terms specifies "Payment Disruption Event" or "CNY Payment Disruption Event" to be applicable, in the event that the Calculation Agent, at any time and from time to time, determines in its sole discretion that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, has occurred or is likely to occur, then the Calculation Agent shall as soon as practicable notify the Holders of the relevant W&C Instruments of the occurrence of such Payment Disruption Event or CNY Payment Disruption Event, as the case may be, in accordance with Condition 12 (*Notices*).

(b) *Consequences of a Payment Disruption Event*

Upon the occurrence of a Payment Disruption Event:

(i) *Extension of relevant dates*

The Calculation Agent may extend the Exercise Date, the Settlement Date or any other date on which the W&C Instruments may be exercised or redeemed or any amount shall be due and payable in respect of the relevant W&C Instruments, subject to Condition 6(C)(e) (*Payment Event Cut-Off Date*), to a date falling five Business Days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with Condition 12 (*Notices*)) after the date on which the Payment Disruption Event is no longer occurring and notice thereof shall be given to the relevant Holders in accordance with Condition 12 (*Notices*).

(ii) *Obligation to pay postponed*

The Calculation Agent may postpone the Issuer's obligation to pay the Cash Settlement Amount or any such other amounts in respect of the relevant W&C Instruments or deliver any Relevant Asset, subject to Condition 6(C)(e) (*Payment Event Cut-Off Date*), until five Business Days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with Condition 12 (*Notices*)) after the date on which the Payment Disruption Event is no longer occurring.

(iii) *Issuer's option to vary settlement upon occurrence of Payment Disruption Event*

Notwithstanding the Issuer's right to extend the dates for payments in accordance with Condition 6(C)(b)(i) (*Extension of relevant dates*) or postpone payment in accordance with Condition 6(C)(b)(ii) (*Obligation to pay postponed*), as applicable, the Issuer may, if practicable (and to the extent lawful), and at the Issuer's sole and absolute discretion:

- (1) make payments due to be made in the Subject Currency in the Base Currency, converted from the Subject Currency into the Base Currency at a rate reasonably selected by the Calculation Agent;
- (2) make payments due to be made in the Base Currency in the Subject Currency, disregarding any obligation to convert amounts into the Base Currency;
- (3) in the case of Share Linked W&C Instruments, deliver the Shares corresponding to such W&C Instruments (as determined by the Calculation Agent) in lieu of cash settlement; or
- (4) in the case of Share Linked W&C Instruments which reference a basket of Shares, elect to satisfy in part its obligation to pay the

amounts as may be due and payable under the relevant W&C Instruments by making partial payment(s) or partial deliveries, as the case may be (the "**Partial Distributions**"). Any Partial Distribution made by the Issuer to the Holders will be calculated and/or determined by the Calculation Agent in its sole and absolute discretion and shall be paid and/or delivered to the Holders *pro rata* (as far as possible, subject to any necessary adjustments for rounding) to the proportion of the W&C Instruments of the same Series held by the relevant Holder. In the event that any Partial Distribution is made by the Issuer, the Calculation Agent may, in its sole and absolute discretion, make any such corresponding adjustment to any variable relevant to the settlement or payment terms of the relevant W&C Instruments as it deems necessary and shall notify the relevant Holders thereof in accordance with Condition 12 (*Notices*).

Any payments or deliveries made in accordance with this Condition 6(C)(b)(iii) shall satisfy and discharge in full (in the case of payments or deliveries made in accordance with paragraphs (1) to (3)) and in part (in the case of Partial Distributions made in accordance with paragraph (4)) the Issuer's obligation to pay the Cash Settlement Amount or other amount in respect of which the Payment Disruption Event has arisen, and no further amounts shall be due and payable by the Issuer in respect thereof.

(c) *Consequences of a CNY Payment Disruption Event*

Upon the occurrence of a CNY Payment Disruption Event:

(i) *Extension of relevant dates*

If "Extension" is specified to be applicable in the applicable Final Terms, then Condition 6(C)(b)(i) (*Extension of relevant dates*) shall apply, provided that the reference therein to "Payment Disruption Event" shall be construed as a reference to "CNY Payment Disruption Event".

(ii) *Obligation to pay postponed*

If "Payment Postponement" is specified to be applicable in the applicable Final Terms, then Condition 6(C)(b)(ii) (*Obligation to pay postponed*) shall apply, provided that the reference therein to "Payment Disruption Event" shall be construed as a reference to "CNY Payment Disruption Event".

(iii) *Payment of Equivalent Amount*

If "Payment of Equivalent Amount" is specified to be applicable in the applicable Final Terms, and the Calculation Agent determines that such CNY Payment Disruption Event is material in relation to the Issuer's obligations under the relevant W&C Instruments to pay any Additional Amount, Cash Settlement Amount or other amount in respect of the relevant W&C Instruments on the relevant Additional Amount Payment Date, Settlement Date or such other date on which any amount in respect of the relevant W&C Instruments shall be due and payable (such date, the "**Affected Payment Date**"), then the Issuer shall, on giving notice to Holders prior to the relevant Affected Payment Date, make payment of the Equivalent Amount of the relevant Additional Amount, Cash Settlement Amount or such other amount payable (if applicable) on the relevant Affected Payment Date in full and final settlement of its obligations to pay such Additional Amount, Settlement Amount or other amount in respect of the relevant W&C Instruments.

(d) *Payments net of expenses*

Notwithstanding any provisions to the contrary, (a) any payments or deliveries made in accordance with Condition 6(C)(b) (*Consequences of a Payment Disruption Event*) or Condition 6(C)(c) (*Consequences of a CNY Payment Disruption Event*), as the case may be, shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Calculation Agent or Issuer in connection with or arising from the resolution of the relevant Payment Disruption Event(s) or CNY Payment Disruption Event(s), as the case may be, and (b) no interest or other payment shall be paid by the Issuer in respect of any delay which may occur in the payment of any amounts due and payable under the W&C Instruments as a result of the operation of Condition 6(C)(b) (*Consequences of a Payment Disruption Event*) or Condition 6(C)(c) (*Consequences of a CNY Payment Disruption Event*), as the case may be.

(e) *Payment Event Cut-Off Date*

In the event that a Payment Disruption Event or a CNY Payment Disruption Event, as the case may be, is still occurring on the Payment Event Cut-Off Date, the Exercise Date, the Settlement Date, or any other date on which any Additional Amount, Cash Settlement Amount or other amount in respect of the relevant W&C Instruments shall be due and payable (as the case may be) for the relevant W&C Instruments shall fall on the Payment Event Cut-Off Date. In such circumstances, the Holder will not receive any amounts. Thereafter, the Issuer shall have no obligations whatsoever under the W&C Instruments.

For the purposes of this Condition 6(C):

"Base Currency" means the currency specified as such in the applicable Final Terms;

"CNY" means Chinese Renminbi, the lawful currency of the People's Republic of China (including any lawful successor currency to the CNY);

"CNY Payment Disruption Event" means the occurrence of any of the following events:

- (i) an event that makes it impossible or impractical for the Issuer to convert any amounts in CNY due in respect of the W&C Instruments in the general CNY foreign exchange market in the relevant CNY Settlement Centre(s), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) (a **"CNY Inconvertibility Event"**);
- (ii) an event that makes it impossible or impractical for the Issuer to (i) deliver CNY between *accounts* inside the relevant CNY Settlement Centre(s), or (ii) from an account inside the relevant CNY Settlement Centre(s) to an account outside the relevant CNY Settlement Centre(s) (including, if applicable, to another CNY Settlement Centre), other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) (a **"CNY Non-Transferability Event"**); and
- (iii) the general CNY foreign exchange market in the relevant CNY Settlement Centre becomes *illiquid* as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its payment obligations (in whole or in part) under the W&C Instruments (a **"CNY Non-Availability Event"**);

"CNY Settlement Centre" means the financial centre(s) specified as such in the applicable Final Terms;

"Equivalent Amount" means, in respect of the relevant Additional Amount, Cash Settlement Amount or other amount payable (if applicable) on the relevant Affected Payment Date (for these purposes, the **"Relevant Amount"**), an amount in the Base Currency determined by the Calculation Agent by converting the Relevant Amount into the Base Currency using the Equivalent Amount Settlement Rate for the relevant Affected Payment Date;

"Equivalent Amount Settlement Rate" means in respect of any relevant day, the spot exchange rate on such day between CNY and the Base Currency, determined by the Calculation Agent, taking into account all available information which the Calculation Agent deems relevant (including, but not limited to, pricing information obtained from the CNY non-deliverable market outside the People's Republic of China and/or the CNY foreign exchange market in the People's Republic of China);

"Governmental Authority" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the People's Republic of China, the Hong Kong Special Administrative Region and any other CNY Settlement Centre;

"impractical" or "impracticability" means, in respect of any action to be taken by the Issuer, that the Issuer and/or its Affiliates would incur a materially increased amount of taxes, duties, expenses or fees (as compared with circumstances existing on the Trade Date) to perform such action, or the Issuer and/or any Affiliates would be in breach of any law, rule, regulation, guideline or internal policy of the Issuer and/or its Affiliates, if such action were to be performed;

"Inconvertibility Event" means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (a) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions); and/or
- (b) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice;

"Non-Transferability Event" means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any event that generally makes it impossible to deliver (a) the Base Currency from accounts inside the Subject Currency Jurisdiction to accounts outside the Subject Currency Jurisdiction or (b) the Subject Currency between accounts inside the Subject Currency Jurisdiction or to a party that is a non-resident of the Subject Currency Jurisdiction;

"Payment Disruption Event" means:

- (a) the occurrence of either (a) an Inconvertibility Event and/or (b) a Non-Transferability Event;
- (b) the imposition by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines in good

faith is likely materially to affect the W&C Instruments, and notice thereof is given by the Issuer to the Holders in accordance with Condition 12 (*Notices*); or

- (c) the implementation by the Subject Currency Jurisdiction (or any political or regulatory authority thereof) or the publication of any notice of an intention to implement any changes to the laws or regulations relating to foreign investment in the Subject Currency Jurisdiction (including, but not limited to, changes in tax laws and/or laws relating to capital markets and corporate ownership), which the Calculation Agent determines are likely to affect materially the Issuer's ability to hedge its obligations under the W&C Instruments;

"Payment Event Cut-Off Date" means the date which is one year after the Exercise Date, Settlement Date or as determined by the Calculation Agent acting in good faith and notified to Holders in accordance with Condition 12 (*Notices*);

"Specified Financial Centre(s)" means the financial centre(s) specified in the applicable Final Terms, provided that if the Specified Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Business Day shall also be a day on which the TARGET2 System is operating;

"Subject Currency" means the currency specified as such in the applicable Final Terms; and

"Subject Currency Jurisdiction" means the country for which the Subject Currency is the lawful currency.

7. Currency Substitution Event

In the event that the Issuer and the Calculation Agent, in their discretion, determine that any Relevant Governmental Authority (as defined below) of a country, bloc of countries or other applicable sovereign entity or entities (each, an **"Applicable Jurisdiction"**) announces or in any event effects (whether pursuant to legislation enacted for such purpose in the Applicable Jurisdiction, in accordance with or in breach of applicable international treaties, or in any other manner) or (based on any publicly available information which the Issuer and the Calculation Agent reasonably consider relevant) there is substantial likelihood that it will effect within the next 90 days the replacement of the lawful currency (the **"Initial Currency"**) of an Applicable Jurisdiction with a substitute currency (**"Substitute Currency"**) (for the avoidance of doubt, including circumstances in which a country (a **"Departing Country"**) within a bloc of countries in a currency union passes legislation (or a Relevant Governmental Authority thereof announces that it will pass legislation or otherwise seeks) to effect or does effect the withdrawal of such Departing Country from the currency bloc and the replacement of the currency of the currency union with another currency as the official currency of the Departing Country) (any such event being a "Currency Substitution Event"), and:

- (a) the calculation of amounts to be paid or assets to be delivered under any W&C Instrument is linked to one or more Underlying Assets, and the currency by which the Underlying Asset(s) and/or any component(s) thereof is priced, quoted or traded is (or, in the Issuer's reasonable opinion is likely to be), as a result of the Currency Substitution Event, redenominated from the Initial Currency into the Substitute Currency; and/or
- (b) the calculation of amounts to be paid or assets to be delivered under any W&C Instrument is linked to one or more floating rates of interest based on or related to amounts denominated in the Initial Currency; and/or
- (c) the Hedging Arrangements (as defined below) in respect of any W&C Instrument have been materially adversely affected by (A) the Currency Substitution Event and/or (B) capital controls or other restrictions imposed by a Relevant Governmental Authority of the Applicable Jurisdiction, and the Hedging Party (as defined below) is unable, after using commercially reasonable efforts, to alter or modify the Hedging Arrangements and/or establish alternate Hedging Arrangements to fully account for the material adverse effect of (A) and/or (B) above,

then, unless otherwise set out in the applicable Final Terms, the Issuer and the Calculation Agent may, in their discretion:

- (x) make such adjustments, as shall be notified to each holder of the relevant W&C Instruments, to the exercise, settlement, valuation, calculation, payment and/or any other Terms and Conditions of the W&C Instrument as the Issuer determines appropriate to (i) (in the case of (a) or (b) above) preserve the economic terms of such W&C Instruments as of the Issue Date, including, without limitation, making any currency conversion necessary as part of any such adjustment based on the relevant official conversion rate or at an appropriate market rate of exchange determined by the Calculation Agent to be prevailing as of any relevant time and date, or (ii) (in the case of (c) above) account for the material adverse effect on the Hedging Arrangements and in order to effect a commercially reasonable result; or
- (y) redeem such W&C Instruments on such day as shall be notified to the relevant Holders and pay an early settlement amount (which shall be the fair market value of the W&C Instruments, taking into account the Currency Substitution Event and its consequences as described above, less any and all costs associated or incurred by the Issuer and/or any of its affiliates or agents in connection with such early settlement, including, without limitation, any costs associated with unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) as determined by the Calculation Agent in its sole and absolute discretion) to the holder in respect of each W&C Instrument.

For the avoidance of doubt, the circumstances and consequences described in this Condition 7 (*Currency Substitution Event*) and any resulting or alternative adjustments to the exercise, settlement, valuation, calculation, payment and/or any other Terms and Conditions of the applicable W&C Instrument will not entitle any holder of such W&C Instruments (A) to any legal remedy, including, without limitation, rescission, repudiation, or renegotiation of the W&C Instrument, or (B) to raise any defence or make any claim (including, without limitation, claims of breach, force majeure, frustration of purpose, or impracticability) or any other claim for compensation, damages, or any other relief.

For the purposes of this Condition 7 (*Currency Substitution Event*):

"Hedging Arrangements" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange or (b) other instruments or arrangements (howsoever described) in order to hedge individually or on a portfolio basis the Issuer's obligations under any W&C Instrument.

"Hedging Party" means, the Issuer or any of the Issuer's affiliate(s) or any entity (or entities) acting on the Issuer's behalf engaged in any underlying or hedging transactions relating to any W&C Instrument and/or underlying market measure(s) in respect of the Issuer's obligations under the W&C Instrument.

"Relevant Governmental Authority" means, in relation to any Applicable Jurisdiction, 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 such Applicable Jurisdiction.

8. Cancellation for Tax Reasons and Tax Compliance Reasons

(A) Cancellation for Tax Reasons

The Issuer may cancel the W&C Instruments, in whole, but not in part, at any time at their Early Settlement Amount (as defined in Condition 9 (*Illegality*)), if the Issuer shall determine that any payment or deemed payment as determined for United States tax purposes with respect to the W&C Instruments or with respect to a direct or indirect hedging arrangement entered into by the Issuer or any of its Affiliates relating to the W&C Instruments may be treated as a dividend or "dividend equivalent" for United States tax purposes (such event being a "U.S. Withholding Tax Event").

(B) *Cancellation for Tax Compliance Reasons*

The Issuer may, at its option, cancel the W&C Instruments, in whole or in part, at any time, at their Early Settlement Amount, if the Issuer determines in good faith that it has, or there is a substantial likelihood that it will, become subject to withholding imposed on a payment made to it on account of the Issuer's inability to comply with the reporting requirements imposed by the FATCA Provisions, provided that such inability to comply with the reporting requirements is attributable to non-compliance by any Holder of such W&C Instruments (or a foreign withholding agent (if any) in the chain of custody of payments made to the Holders) with the Issuer's requests for certifications or identifying information (such cancellation, a **"Cancellation for Tax Compliance Reasons"**). Upon a Cancellation for Tax Compliance Reasons, W&C Instruments held by compliant Holders, in addition to those held by non-compliant Holders, may be cancelled.

Notice of intention to cancel W&C Instruments will be given in accordance with Condition 12 (*Notices*) not less than 30 calendar days nor more than 60 calendar days prior to the date fixed for cancellation. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 12 (*Notices*).

9. **Illegality**

In the event that the Issuer determines in good faith that (i) the performance of the Issuer's obligations under the W&C Instruments or that any arrangements made to hedge the Issuer's obligations under the W&C Instruments or (ii) the performance by the Guarantor of any of its obligations under the Guarantee in respect of the W&C Instruments (except for Secured W&C Instruments to which the Guarantee does not apply), has or will become, in whole or in part, unlawful, illegal or otherwise contrary to any present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative, judicial or regulatory authority or powers, or any change in the interpretation thereof that is applicable to the Issuer and/or (if applicable) the Guarantor, the Issuer may, at its discretion, cancel the W&C Instruments by giving notice to Holders in accordance with Condition 12 (*Notices*).

Should any one or more of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer cancels the W&C Instruments then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Holder in respect of each W&C Instrument or each Unit, as the case may be, held by such Holder, which amount shall be the fair market value of a W&C Instrument or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants and if already paid by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion (the **"Early Settlement Amount"**). Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 12 (*Notices*).

10. **Repurchases**

The Issuer, (if applicable) the Guarantor or any of their Affiliates may purchase at any time and from time to time outstanding W&C Instruments by tender, in the open market or by private agreement. Such W&C Instruments may be held, reissued, resold or, at the option of the Issuer or (if applicable) the Guarantor, surrendered to any Paying Agent for cancellation.

11. **Agents, Determinations, Modifications and Meeting Provisions**

(A) *Instrument Agents and Registrar*

The specified offices of the Instrument Agents and the Registrar are as set out at the end of these Terms and Conditions.

The Issuer and (if applicable) the Guarantor reserve the right at any time to vary or terminate the appointment of any Instrument Agent or the Registrar and to appoint further or additional Instrument Agents or Registrars, provided that no termination of appointment of the Principal Instrument Agent or Registrar shall become effective until a replacement Principal Instrument Agent or Registrar shall have been appointed and provided that, (a) so long as any of the W&C Instruments are listed on any stock exchange or admitted to trading or listing by any other relevant authority, there shall be an Instrument Agent (which may be the Principal Instrument Agent) having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority, and (b) the Registrar shall be an entity with a specified office outside the United Kingdom, and provided further that:

- (i) so long as any of the W&C Instruments are represented by a CBF Global W&C Instrument there shall be a Frankfurt Instrument Agent;
- (ii) so long as any of the Warrants are represented by a Rule 144A Global Warrant held through DTC, there shall be a U.S. Warrant Agent;
- (iii) so long as any of the W&C Instruments are Swedish W&C Instruments there shall be a Swedish Instrument Agent who shall be duly authorised as an account operator and issuing agent under the Swedish CSD Rules;
- (iv) so long as any of the W&C Instruments are Finnish W&C Instruments there shall be a Finnish Instrument Agent who shall be duly authorised as an account operator and issuing agent under the Euroclear Finland Rules;
- (v) so long as any of the W&C Instruments are CREST W&C Instruments, there shall be a CREST Agent; and
- (vi) there shall at all times be a Calculation Agent.

Notice of any variation, termination, appointment or change in the specified office of any Instrument Agent or any Registrar will be given to Holders in accordance with Condition 12 (*Notices*) provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such variation, termination or changes. In acting under the Agency Agreement, each Instrument Agent and Registrar acts solely as agent of the Issuer and (if applicable) the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders and any determinations and calculations by the Instrument Agents or Registrar in respect of the W&C Instruments shall (save in the case of manifest or proven error) be final, conclusive and binding on the Issuer, (if applicable) the Guarantor and the Holders.

The Agency Agreement may be amended by the parties thereto, without the consent of the Holders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties may mutually deem necessary or desirable and which shall not be materially prejudicial to the interests of the Holders.

In the case of Swedish W&C Instruments, the Issuer has appointed the Swedish Instrument Agent. The Swedish Instrument Agent acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agency and trust with, the Holders.

In the case of Finnish W&C Instruments, the Issuer has appointed the Finnish Instrument Agent. The Finnish Instrument Agent acts solely as agent to the Issuer and does not assume any obligation to, or relationship of agency with, the Holders.

(B) *Calculation Agent*

In relation to each issue of W&C Instruments, the Calculation Agent (whether it be Merrill Lynch International or another entity) acts solely as agent of the Issuer and (if applicable) the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the W&C

Instruments by the Calculation Agent shall be in its sole and absolute discretion (unless, in respect of the particular calculation or determination to be made, the Terms and Conditions provide that it shall be made in a "commercially reasonable manner"), in good faith, and shall (save in the case of manifest or proven error) be final, conclusive and binding on the Issuer, (if applicable) the Guarantor, the Instrument Agents and the Holders. The Calculation Agent shall promptly notify the Issuer and the Principal Instrument Agent upon any such calculations and determinations, and (in the absence of wilful default, bad faith or manifest or proven error) no liability to the Issuer, (if applicable) the Guarantor, the Instrument Agents or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a suitably competent third party of good standing as it deems appropriate.

(C) *Determinations by the Issuer*

Any determination made by the Issuer pursuant to these Terms and Conditions shall (save in the case of manifest or proven error) be final, conclusive and binding on the Instrument Agents, the Registrar and the Holders.

(D) *Modifications and Meetings Provisions*

The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Terms and Conditions of the W&C Instruments or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or (if applicable) the Guarantor and shall be convened by the Issuer if required in writing by the Holders holding not less than 33 per cent. (by number) of the W&C Instruments of the relevant Series for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons present and holding or representing in the aggregate not less than 50 per cent. (by number) of the W&C Instruments of the relevant Series for the time being unexercised, or at any adjourned meeting one or more persons present whatever the number of the W&C Instruments so held or represented by them, except that at any meeting the business of which includes the modification of certain provisions of the Terms and Conditions of the W&C Instruments (including modifying the Exercise Date, reducing or cancelling the Cash Settlement Amount or the Entitlement or the additional amount payable (if applicable) or altering the Cash Settlement Currency), the quorum shall be one or more persons present and holding or representing not less than two-thirds (by number) of the W&C Instruments of the relevant Series for the time being unexercised, or at any adjourned such meeting one or more persons present and holding or representing not less than one-third (by number) of the W&C Instruments of the relevant Series for the time being unexercised. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all Holders, whether or not they are present at the meeting.

The relevant Instrument Agents and each Issuer may agree, without the consent of the Holders, to:

- (b) any modification (except as mentioned above) of the W&C Instruments or Agency Agreement which is not prejudicial to the interests of the Holders; or
- (c) any modification of the W&C Instruments or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Holders and any such modification shall be notified to the Holders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

12. **Notices**

In the case of W&C Instruments represented by a Global W&C Instrument, Swedish W&C Instruments or Finnish W&C Instruments, all notices to Holders shall be valid: (i) if delivered

(x) in the case of W&C Instruments, which are not Swedish W&C Instruments or Finnish W&C Instruments, to each Clearing System, for communication by them to the Holders, (y) in the case of Swedish W&C Instruments, by mail to the address registered for such Holder in the Swedish Register or otherwise in accordance with the rules and regulations of the Swedish CSD, (z) in the case of Finnish W&C Instruments, by (A) mail from the Issuer or the Finnish Instrument Agent to the address registered for such Holder in the Finnish Register, (B) e-mail or other electronic means such as a SWIFT message from the Issuer or the Finnish Instrument Agent to the e-mail, SWIFT or relevant electronic address for such Holder as provided by Euroclear Finland, (C) publication in a leading Finnish language daily newspaper of general circulation in Helsinki (which is expected to be *Kauppalehti*) or (D) otherwise in accordance with the rules and regulations of Euroclear Finland and; (ii) if and so long as the W&C Instruments are admitted to trading on, and listed on any stock exchange or are admitted to trading by another relevant authority, if delivered in accordance with the rules and regulations of the relevant stock exchange or other relevant authority.

If the W&C Instruments are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange, notices shall be published either in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or *Tageblatt*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu). If the W&C Instruments are admitted to trading on Euronext Paris S.A. and so long as the rules of Euronext Paris S.A. so require, notices shall be published in a leading daily financial newspaper having general circulation in Paris (which is expected to be *Les Echos* or *La Tribune*) or if such newspapers cease to be published or timely publication in them shall not be practicable in such other financial daily newspaper having general circulation in Paris.

In the case of Definitive W&C Instruments, notices to the Holders will be deemed to be validly given if posted to the Holders of such Definitive W&C Instruments at their respective addresses in the Register.

In the case of CREST W&C Instruments, notices to the Holders shall be valid (i) if delivered to the address of the Holder appearing in the Record on the second Business Day immediately prior to despatch of such notice by first class post or by hand or, if such address is not in the United Kingdom, by airmail post (such notices to be delivered or sent in accordance with provision (i) shall be sent at the risk of the relevant Holder), or (ii) if published in a daily newspaper with general circulation in the United Kingdom (which is expected to be the *Financial Times*).

Any such notice shall be deemed to have been given (i) in the case of W&C Instruments which are neither Swedish W&C Instruments nor Finnish W&C Instruments and which are held through a Clearing System, on the day on which such notice is delivered to the relevant Clearing System, (ii) in the case of W&C Instruments which are not Swedish W&C Instruments, Finnish W&C Instruments or CREST W&C Instruments and which are not held through a Clearing System, on the second Business Day following such publication, (iii) in the case of Swedish W&C Instruments, and Finnish W&C Instruments, (x) if sent by mail to the Holders, on the fourth weekday (being a day other than a Saturday or a Sunday) following the day on which the notice was sent by mail, (y) if sent by e-mail to the Holders, on the weekday (being a day other than a Saturday or a Sunday) following the day on which such e-mail was sent or, (z) in each case if earlier, the date of such publication or, if published more than once, on the date of the first such publication, (iv) in the case of CREST W&C Instruments, if delivered by hand, at the time of delivery, if sent by first class post, two Business Days after despatch or, if sent by airmail post, five Business Days after despatch or the date of such publication or, if published more than once, on the date of the first such publication; or (v) in the case of Definitive Registered Certificates, if sent by post, on the fourth weekday (being a day other than Saturday or Sunday) after the date of mailing.

13. Expenses and Taxation

- (a) A Holder of W&C Instruments must pay all taxes, duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties

arising from the exercise and settlement of such W&C Instruments and/or, if applicable, the delivery of the Entitlement pursuant to the terms of such W&C Instruments (together "**Expenses**").

- (b) The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any W&C Instrument by any person 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.

14. Further Issues

The Issuer shall be at liberty from time to time without the consent of Holders to create and issue further W&C Instruments so as to be consolidated with and form a single Series with the outstanding W&C Instruments.

15. Substitution of the Issuer, Consolidation and Merger

(A) Substitution of the Issuer

The Issuer, or any previous substituted company or other entity, may, at any time, without the consent of the Holders, substitute for itself as principal obligor under the W&C Instruments any company or other entity (the "**Substitute**") being BAC or any of its other subsidiaries, subject to:

- (a) (except in the case of the substitution of BAC), the W&C Instruments (other than the Secured W&C Instruments) being guaranteed by the Guarantor on the same terms, *mutatis mutandis*, as the W&C Instruments (other than the Secured W&C Instruments);
- (b) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the W&C Instruments represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and are in full force and effect;
- (c) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (d) the Substitute and the Issuer shall have obtained legal opinions from independent legal advisers of recognised standing in the country of incorporation or other form of organisation of the Substitute, and (if BAC is not the Substitute and other than in respect of Secured W&C Instruments) the States of Delaware and New York and England, that the obligations of the Substitute and (if BAC is not the Substitute and other than in respect of the Secured W&C Instruments) the Guarantor are legal, valid and binding obligations, that all consents and approvals as aforesaid have been obtained;
- (e) the Issuer shall have given at least 30 calendar days' prior notice of the date of such substitution to the Holders in accordance with Condition 12 (*Notices*);
- (f) each stock exchange or market on which the W&C Instruments are listed or admitted to trading shall have confirmed that, following the proposed substitution by the Substitute, the W&C Instruments will continue to be listed or admitted to trading on such stock exchange(s) or such market(s), as the case may be;
- (g) if appropriate, the Substitute shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the W&C Instruments;
- (h) if the Instruments are Swedish W&C Instruments, the Swedish CSD having given its consent to such substitution (such consent not to be unreasonably withheld or delayed); and

- (i) if the Instruments are Finnish W&C Instruments, Euroclear Finland having given its consent to such substitution (such consent not to be unreasonably withheld or delayed).

(B) *Consolidation or Merger*

The Issuer or (if applicable) the Guarantor may consolidate with, or sell or convey all or substantially all of its assets to, or merge with or into any other company provided that in any such case, (a) in the case of the Issuer, either the Issuer shall be the continuing company, or the successor company shall expressly assume the due and punctual payment of all amounts or delivery of all assets, as the case may be, payable or deliverable, as applicable, with respect to the W&C Instruments, according to their tenor, and the due and punctual performance and observance of all of the obligations under the Conditions to be performed by the Issuer by an amendment to the Agency Agreement executed by, *inter alios*, such successor company, (if applicable) the Guarantor and the Principal Instrument Agent, and (b) in the case of the Guarantor and with respect to W&C Instruments other than Secured W&C Instruments, the Guarantor shall be the continuing company, or the successor company shall be a company organised and existing under the laws of the United States or a state thereof or the District of Columbia and such successor company shall expressly assume the due and punctual payment of all amounts or delivery of all assets, as the case may be, payable or deliverable, as applicable, with respect to the Guarantee by the execution of a new guarantee of like tenor. In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor company, such successor company shall succeed to and be substituted for the Issuer or (if applicable) the Guarantor, as the case may be, with the same effect as if it had been named herein as the Issuer or (if applicable) the Guarantor, as the case may be, and the Issuer or (if applicable) the Guarantor, as the case may be, except in the event of a conveyance by way of lease, shall be relieved of any further obligations under the Conditions, the Agency Agreement and (if applicable) the Guarantee, as applicable.

16. **Governing Law and Submission to Jurisdiction**

(A) *Governing law*

The W&C Instruments, Global W&C Instruments, Definitive W&C Instruments, the Agency Agreement and the W&C Instruments Deed of Covenant and any non-contractual obligations arising out of the W&C Instruments, Global W&C Instruments, Definitive W&C Instruments, the Agency Agreement and the W&C Instruments Deed of Covenant (including without limitation any dispute, controversy, proceedings or claim of whatever nature (whether contractual, non-contractual or otherwise) arising out of or in any way relating to the W&C Instruments, Global W&C Instruments, Definitive W&C Instruments, the Agency Agreement and the W&C Instruments Deed of Covenant or their respective formation) shall be governed by, and construed in accordance, with English law.

The Guarantee is governed by, and shall be construed in accordance with, the laws of the State of New York.

(B) *Submission to jurisdiction*

In relation to any legal action or proceedings arising out of or in connection with the W&C Instruments and the Global W&C Instruments ("**Proceedings**"), the courts of England have exclusive jurisdiction and the Issuer and the Holders submit to the exclusive jurisdiction of the English courts. The Issuer and the Holders waive any objection to Proceedings in the English courts on the grounds of venue or that the Proceedings have been brought in an inconvenient forum.

For greater certainty, the Guarantor has not submitted to the jurisdiction of the English courts in the Guarantee and claims under the Guarantee are required to be instituted in the U.S. federal court in the Borough of Manhattan in the City and State of New York.

(C) *Appointment of Process Agent*

The Issuer hereby appoints Merrill Lynch Corporate Services Limited, currently at 2 King Edward Street, London EC1A 1HQ as its agent in England to receive service of process in any

Proceedings in England. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent and to notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

17. **Adjustments for European Economic and Monetary Union**

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 12 (*Notices*):

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the W&C Instruments shall be redenominated in euro.

The election will have effect as follows:

- (i) where the Settlement Currency of the W&C Instruments is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the W&C Instruments will be made solely in euro as though references in the W&C Instruments to the Settlement Currency were to euro;
 - (ii) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted for or, as the case may be into, euro at the Established Rate; and
 - (iii) such other changes shall be made to these Terms and Conditions as the Issuer may decide, in its sole and absolute discretion to conform them to conventions then applicable to instruments expressed in euro; and/or
- (b) require that the Calculation Agent make such adjustments to, in the case of Warrants, the Exercise Price and/or any other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on, in the case of Warrants, the Exercise Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, any of its Affiliates or agents, the Calculation Agent, any Instrument Agent and the Registrar shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

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

"Adjustment Date" means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to first sentence of Article 1091(4) of the Treaty;

"**euro**" means the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time);

"**National Currency Unit**" means the unit of the currency of a country, as those units are defined on the date on which the country of the Original Currency first participates in European Economic and Monetary Union; and

"**Treaty**" means the treaty establishing the European Community, as amended from time to time.

18. **Contracts (Rights of Third Parties) Act 1999**

The W&C Instruments do not confer on any third party any rights under the Contracts (Rights of Third Parties) Act 1999 (the "**Act**") to enforce any term of the W&C Instruments, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

19. **Terms applicable to Warrants only**

Conditions 20 (*Definitions (Warrants)*), 21 (*Form of Warrants*), 22 (*Style and Title (Warrants)*), 23 (*Exercise Rights (Warrants)*) and 24 (*Exercise Procedure (Warrants)*) apply to Warrants only.

20. **Definitions (Warrants)**

For the purposes of the Warrants:

"**Exercise Business Day**" means a day that is a Business Day and, in the case of an Index Linked Warrant or Share Linked Warrant, a Scheduled Trading Day; and

"**In-The-Money**" means:

- (a) in the case of a Cash Settled Warrant, the Cash Settlement Amount in respect of such Warrant is greater than zero; and
- (b) in the case of a Physical Delivery Warrant, the value of the Entitlement on the Actual Exercise Date for such Warrant is greater than the Exercise Price as determined by the Calculation Agent.

21. **Form of Warrants**

If the Warrants are to be issued into and transferred through accounts at Euroclear and Clearstream, Luxembourg, and are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons, such Series of Warrants will on issue be constituted by a global registered warrant (the "**Euroclear/CBL Global Registered Warrant**"), which will be deposited with, and registered in the name of the nominee of, the Common Depositary.

If the Warrants are to be issued into and transferred through accounts at Clearstream, Frankfurt, such Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons, and will on issue be constituted by a global bearer warrant (the "**CBF Global Warrant**"), provided, however, that the CBF Global Warrants will be treated as in registered form for United States federal income tax purposes. The CBF Global Warrant will be delivered on or prior to the issue date of the relevant Series of CBF Global Warrants to Clearstream, Frankfurt.

The Euroclear/CBL Global Registered Warrants and the CBF Global Warrants are referred to herein as the "**Global Warrants**" and each a "**Global Warrant**".

Euroclear/CBL Global Registered Warrants will be exchangeable in whole, but not in part, for individual warrant certificates:

- (a) on the expiry of such period of notice as may be specified in the applicable Final Terms; or
- (b) at any time, if so specified in the applicable Final Terms; or
- (c) if the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available; or
- (d) the Issuer or the Guarantor has or will become subject to adverse tax consequences which would not be suffered were the Warrants held in definitive form.

Whenever the Euroclear/CBL Global Registered Warrant is to be exchanged for individual warrant certificates, such individual warrant certificates shall be issued in equal number to the number of Warrants represented by the Global Warrant within five Business Days of the delivery, by or on behalf of the registered holder of the Euroclear/CBL Global Registered Warrant to the Principal Warrant Agent of such information as is required to complete and deliver such individual warrant certificates (including, without limitation, the names and addresses of the persons in whose names the individual warrant certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Euroclear/CBL Global Registered Warrant at the specified office of the Principal Warrant Agent.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Warrants scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Principal Warrant Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) individual warrant certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth calendar day after they are due to be issued and delivered in accordance with the terms of the Euroclear/CBL Global Registered Warrant; or
- (b) the date for final settlement of the Warrants has occurred and payment in full of all amounts due has not been made to the holder of the Euroclear/CBL Global Registered Warrant on the due date for payment in accordance with the terms of the Euroclear/CBL Global Registered Warrant,

then the Euroclear/CBL Global Registered Warrant (including the obligation to deliver individual warrant certificates) will become void at 5.00 p.m. (London time) on such thirtieth calendar day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Euroclear/CBL Global Registered Warrant will have no further rights thereunder (but without prejudice to the rights which the holder of the Euroclear/CBL Global Registered Warrant or others may have under the W&C Instruments Deed of Covenant). Under the W&C Instruments Deed of Covenant, each Holder is entitled to exercise or enforce in respect of each Warrant held by him, the rights and obligations attaching to the relevant Warrant as set out in, and subject to, the W&C Instruments Deed of Covenant, the Conditions and the applicable Final Terms issued in respect of such Warrants.

If the Warrants are to be issued into and cleared through the Swedish CSD ("**Swedish Warrants**"), such Swedish Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons, and will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998: 1479) om kontoföring av finansiella instrument*).

If the Warrants are to be issued into and cleared through Euroclear Finland ("**Finnish Warrants**"), such Finnish Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons, and will be issued in dematerialised and

uncertificated book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)), the Finnish Act on Book-Entry Accounts (in Finnish: *laki arvo-osuustileistä* (827/1991)) and the Euroclear Finland Rules.

If the Warrants are to be issued into and cleared through accounts at Euroclear UK (the "**CREST Warrants**"), such CREST Warrants are not eligible for sale in the United States or to, or for the account or benefit of, United States Persons, and will be issued in uncertificated form in accordance with the Uncertificated Securities Regulations. The Warrants are participating securities for the purposes of the Uncertificated Securities Regulations.

22. **Style and Title (Warrants)**

(A) *Style*

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**") and whether automatic exercise ("**Automatic Exercise**") applies to the Warrants and whether the Warrants may only be exercised in Units. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If the Warrants are Swedish Warrants or Finnish Warrants they will be European Style Warrants, Cash Settled W&C Instruments and Automatic Exercise will apply.

(B) *Definitive Registered Warrants*

(a) *Transfers of Definitive Registered Warrants*

Transfers of Definitive Registered Warrants are effected upon (i) the surrender (at the specified office of the Principal Warrant Agent) of the individual warrant certificate representing such Definitive Registered Warrants to be transferred, together with the form of transfer (which shall be available at the specified office of the Principal Warrant Agent) endorsed on such individual warrant certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Principal Warrant Agent may reasonably require, (ii) the recording of such transfer in the Register; and (iii) the issuance of a new individual warrant certificate to the transferee.

(b) *Part Transfer of Definitive Registered Warrants*

In the case of a transfer of part only of a holding of a Definitive Registered Warrant represented by one individual warrant certificate, a new individual warrant certificate shall be issued to the transferee in respect of the part transferred and a further new individual warrant certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(C) *Delivery of New Individual Warrant Certificates*

Each new individual warrant certificate to be issued pursuant to this Condition 22 (*Style and Title (Warrants)*) shall be available for delivery within three Business Days of receipt of the form of transfer and surrender of the individual warrant certificate for exchange. Delivery of the new individual warrant certificate(s) shall be made at the specified office of the Principal Warrant Agent to whom delivery or surrender of such request for exchange, form of transfer, or individual warrant certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new individual warrant certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Principal Warrant Agent the costs of such other method of delivery and/or such insurance as it may specify.

(D) *Closed Periods in respect of Definitive Registered Warrants*

No Holder may require the transfer of a Definitive Registered Warrant to be registered:

- (a) after any such Warrant has been called for automatic exercise, cancellation or settlement; or
- (b) during the period of seven calendar days ending on (and including) any Settlement Record Date or Additional Amount Payment Record Date.

(E) *Exchange Free of Charge*

Exchange and transfer of Warrants on registration, transfer, cancellation, settlement or exercise of an option (as applicable) shall be effected without charge by or on behalf of the Issuer or the Principal Warrant Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Principal Warrant Agent may require).

23. **Exercise Rights (Warrants)**

(A) *Exercise Period*

(a) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

If Automatic Exercise is not specified as applicable in the applicable Final Terms, in the case of Warrants represented by a Global Warrant, any such American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*), at or prior to 10.00 a.m., Brussels, Luxembourg or Frankfurt time, as the case may be, on the last Exercise Business Day of the Exercise Period (the "**Expiration Date**"), shall become void.

If Automatic Exercise is specified as applicable in the applicable Final Terms, in the case of Warrants represented by a Global Warrant, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*), at or prior to 10.00 a.m., Brussels, Luxembourg or Frankfurt time, as the case may be, on the Expiration Date and which is in the determination of the Calculation Agent "In-The-Money" shall be automatically exercised on the Expiration Date, but payment or delivery of the Entitlement is subject to the delivery of a duly completed Exercise Notice as set forth in Condition 24(E) (*Automatic Exercise*). In such event, the provisions of Condition 24(E) (*Automatic Exercise*) shall apply.

In the case of Warrants represented by a Global Warrant, the Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Brussels, Luxembourg or Frankfurt time (as appropriate), to Euroclear, Clearstream, Luxembourg or the Frankfurt Warrant Agent, as the case may be, and a copy thereof is delivered to Merrill Lynch International and the Principal Warrant Agent, in each case as provided in Condition 24 (*Exercise Procedure (Warrants)*), or, if Automatic Exercise is specified in the applicable Final Terms and the Warrants are automatically exercised on the Expiration Date as provided above, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by Euroclear or Clearstream, Luxembourg or the Frankfurt Warrant Agent, as the case may be, or if a copy thereof is delivered to Merrill Lynch International and the Principal Warrant Agent, in each case, after 10.00 a.m., Brussels, Luxembourg or Frankfurt time (as appropriate), on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice

has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*) at or prior to 10.00 a.m. Brussels, Luxembourg or Frankfurt time (as appropriate) on the Expiration Date shall (i) if Automatic Exercise is not specified in the applicable Final Terms, become void or (ii) if Automatic Exercise is specified in the applicable Final Terms, be automatically exercised or expire on the Expiration Date as provided above and in Condition 24(E) (*Exercise Procedure (Warrants) – Automatic Exercise*).

In the case of any CREST Warrant that is an American Style Warrant (an "**American Style CREST Warrant**") with respect to which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*) at or prior to 10.00 a.m. London time on the Expiration Date, such Warrant shall be automatically exercised on the Expiration Date, provided that such Warrant is in the determination of the Calculation Agent "In-The-Money". If such Warrant is not in the determination of the Calculation Agent "In-The-Money", no Automatic Exercise shall occur.

With respect to an American Style CREST Warrant, the "**Actual Exercise Date**" means (a) the Exercise Business Day during the Exercise Period on which an Exercise Notice in respect of an American Style CREST Warrant is delivered to the CREST Agent at or prior to 10.00 a.m. London time or (b) in the case of Automatic Exercise, the Expiration Date. If any Exercise Notice in respect of an American Style CREST Warrant is received by the CREST Agent after 10.00 a.m. London time on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*) at or prior to 10.00 a.m. London time on the Expiration Date shall be automatically exercised or expire on the Expiration Date as provided above and in Condition 24(E) (*Exercise Procedure (Warrants) – Automatic Exercise*).

The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Expiration Date in accordance with this provision.

(b) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date.

In the case of Warrants represented by a Global Warrant, if Automatic Exercise is not specified in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*), at or prior to 10.00 a.m., Brussels, Luxembourg or Frankfurt time (as appropriate) on the Actual Exercise Date, shall become void. If Automatic Exercise is specified in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 24 (*Exercise Procedure (Warrants)*), at or prior to 10.00 a.m., Brussels, Luxembourg or Frankfurt time, as the case may be, on the Actual Exercise Date and which is in the determination of the Calculation Agent "In-The-Money", shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 24(E) (*Automatic Exercise*) shall apply.

In the case of Swedish Warrants and CREST Warrants, if any such Warrant is in the determination of the Calculation Agent "In-The-Money" on the Actual Exercise Date, such Warrant shall be automatically exercised on the Actual Exercise Date.

The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Actual Exercise Date in accordance with this provision.

(B) *Cash Settlement*

In the case of Warrants which are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, entitles its holder, upon due exercise and (except for Rule 144A Warrants) subject to certification as to non-U.S. beneficial ownership to receive from the Issuer on the Settlement Date the Cash Settlement Amount.

(C) *Physical Settlement*

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its holder, upon due exercise and, subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price, if any, and any other Expenses or sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Warrants or Units, as the case may be, exercised at the same time by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants or Units, as the case may be, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following exercise of a Share Linked Warrant which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 24(A)(a)(2)(v) (*Exercise Notices*), Condition 24(A)(b)(2)(iv) (*Exercise Notices*) or Condition 24(A)(c)(2)(v) (*Exercise Notices*), as applicable.

All references in this Condition to "Brussels, Luxembourg or Frankfurt time" shall, where W&C Instruments are cleared through an additional or alternative clearing system other than the Swedish CSD or Euroclear Finland, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

24. **Exercise Procedure (Warrants)**

(A) *Exercise Notices*

(a) Warrants represented by a Euroclear/CBL Global Registered Warrant

Subject as provided in Condition 24(E) (*Automatic Exercise*), Warrants represented by a Euroclear/CBL Global Registered Warrant may only be exercised by the sending of an authenticated instruction by SWIFT message or by any other authorised communication channel, in accordance with Euroclear and/or Clearstream, Luxembourg's rules and operating procedures (an "**Exercise Notice**") which includes the information set out in the Agency Agreement (copies of which may be obtained from Euroclear, Clearstream, Luxembourg and the relevant Instrument Agents) to Euroclear or Clearstream, Luxembourg, as the case may be in accordance with the provisions of Condition 23 (*Exercise Rights (Warrants)*) and this Condition. Euroclear and Clearstream, Luxembourg will send copies of any Exercise Notices so received to the Principal Warrant Agent and the Principal Warrant Agent will send such copies to Merrill Lynch International.

- (1) In the case of Cash Settled Warrants, the Exercise Notice shall, unless otherwise agreed:

- (i) specify the ISIN of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants being exercised;
 - (iii) irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Holder's account with the Warrants being exercised;
 - (iv) specify the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised and include an authorisation for Euroclear or Clearstream, Luxembourg to disclose such number of the Holder's account to the Principal Warrant Agent;
 - (v) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (vi) authorise the production of such certification in applicable administrative or legal proceedings, all as provided in the Agency Agreement.
- (2) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the ISIN of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants being exercised;
 - (iii) irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Holder's account with the Warrants being exercised;
 - (iv) irrevocably instruct Euroclear or Clearstream, Luxembourg, to debit on the Actual Exercise Date a specified account of the Holder with Euroclear or Clearstream, Luxembourg, as the case may be, with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);
 - (v) include such details as are required by Condition 24(C)(b) (*Physical Delivery Warrants*) for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account with Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price

or the occurrence of a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Failure to Deliver Settlement Price as applicable;

- (vi) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (3) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the information required to be provided in the Exercise Notice will be different from that set out above. Copies of such information required for this Exercise Notice may be obtained from Euroclear, Clearstream, Luxembourg and the relevant Instrument Agents.

(b) Warrants represented by a CBF Global Warrant

Subject as provided in Condition 24(E) (*Automatic Exercise*), Warrants represented by a CBF Global Warrant may only be exercised by the delivery or the sending by facsimile (confirmed in writing) of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the relevant Instrument Agents) to the Frankfurt Warrant Agent with a copy to Merrill Lynch International and the Principal Warrant Agent, in accordance with the provisions of Condition 23 (*Exercise Rights (Warrants)*) and this Condition. The relevant Holder must also transfer to the Frankfurt Warrant Agent the Warrants to which such Exercise Notice relates and failure to transfer such Warrants at or prior to the time such Exercise Notice is delivered shall render such Exercise Notice null and void.

- (1) In the case of Cash Settled Warrants, the Exercise Notice shall, unless otherwise agreed:
 - (i) specify the Series of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) specify the name and number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
 - (iii) include an undertaking to pay all Expenses;
 - (iv) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (v) authorise the production of such certification in applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (2) In the case of Physical Delivery Warrants, the Exercise Notice shall:
 - (i) specify the Series of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) include an undertaking to pay the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);
 - (iii) include an undertaking to pay all Expenses;
 - (iv) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or the occurrence of a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Failure to Deliver Settlement Price;
 - (v) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (3) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from the relevant Instrument Agents.

(c) CREST Warrants

Subject as provided in Condition 24(E) (*Automatic Exercise*), CREST Warrants may only be exercised by the delivery or sending by fax of a duly completed exercise notice (the "**Exercise Notice**") in the form set out in the Agency Agreement (copies may be obtained from the CREST Agent) to the CREST Agent with a copy to Merrill Lynch International in accordance with the provisions of Condition 23 (*Exercise Rights (Warrants)*) and this Condition.

- (1) In the case of Cash Settled Warrants, the Exercise Notice shall, unless otherwise agreed:
 - (i) specify the name, address and a contact telephone number of the relevant Holder;

- (ii) request the exercise of the Warrants or Units to which the Exercise Notice relates;
 - (iii) specify the ISIN and the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of the Units being exercised;
 - (iv) specify the Participant ID and Member Account (if any) of the Holder at the Operator from which the Warrants to which the Exercise Notice relates will be delivered to the CREST Agent's account with the Operator against payment of the Cash Settlement Amount (if any) less any Expenses on the Settlement Date;
 - (v) irrevocably agree to deliver such instructions to the Operator as may be requested by the Agent to give effect to the delivery and payment on the Settlement Date described in (iv) above;
 - (vi) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (vii) authorise the production of such certification in applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (2) In the case of Physical Delivery Warrants, the Exercise Notice shall:
- (i) specify the name, address and a contact telephone number of the relevant Holder;
 - (ii) request the exercise of the Warrants or Units to which the Exercise Notice relates;
 - (iii) specify the ISIN and the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of the Units being exercised;
 - (iv) specify the Participant ID and Member Account (if any) of the Holder at the Operator from which the Warrants to which the Exercise Notice relates will be delivered to the CREST Agent's account with the Operator against delivery of the Entitlement on the Settlement Date;
 - (v) specify the cash memorandum account of the Holder as shown in the records of the Operator from which the aggregate Exercise Prices and all Expenses (together with any other amounts payable) in respect of such Warrants will be paid to the CREST Agent's account with the Operator against delivery of the Entitlement on the Settlement Date;
 - (vi) irrevocably agree to deliver such instructions to the Operator as may be requested by the Agent to give effect to the delivery and payment on the Settlement Date described in (v) above;
 - (vii) include such details as are required by Condition 24(C)(b) (*Physical Delivery Warrants*) for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank,

broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's cash memorandum account as shown in the records of the Operator to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price (each as defined in Condition 5 (*General provisions relating to Physical Settlement in respect of W&C Instruments (other than Rule 144A Warrants)*));

- (viii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a United States Person, such Warrants were not held on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
- (ix) authorise the production of such certification in applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(d) Irrevocable Election

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

(B) *Verification of the Holder*

In the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, upon receipt of a valid Exercise Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person exercising the Warrants is the holder thereof according to the books of Euroclear or Clearstream, Luxembourg, as the case may be. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Warrant Agent and, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar, the ISIN and the amount of Warrants being exercised, the account number of the exercising Holder, a confirmation of the exercising Holder's certification and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Warrant Agent will inform the Issuer and, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, the Registrar. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Settlement Date debit the account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Euroclear/CBL Global Registered Warrant, the Common Depositary will, on the instructions of, and on behalf of, the Principal Warrant Agent, note such exercise on the Schedule to such Euroclear/CBL Global Registered Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of a CBF Global Warrant, upon receipt of an Exercise Notice and the relevant Warrants, the Frankfurt Warrant Agent shall verify that the person delivering the Exercise Notice, prior to such transfer was the holder according to the records of Clearstream, Frankfurt. Subject thereto, the Frankfurt Warrant Agent shall notify the Issuer of the series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery

of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Frankfurt Warrant Agent will inform the Issuer thereof. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the CBF Global Warrant, it will, on the instructions of, and on behalf of, the Principal Warrant Agent, note such exercise on the Schedule to such CBF Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

In the case of a CREST Warrant, upon receipt of an Exercise Notice the CREST Agent shall verify that the person delivering such notice is the Holder of the related Warrants according to the Record maintained by the CREST Agent. Subject thereto the CREST Agent, on behalf of the Issuer, shall promptly liaise with the Holder to request that it delivers any necessary instructions to the Operator referred to in Condition 24(A)(c)(1)(v) (*CREST Warrants*) to give effect to the delivery of the relevant Warrants to the CREST Agent's account with the Operator against payment of the Cash Settlement Amount (if any) less any Expenses on the Settlement Date. Settlement of the relevant Warrants is conditional on any such necessary instructions being given by the Holder.

(C) *Settlement*

(a) Cash Settled Warrants

In the case of Warrants represented by a Global Warrant, the Issuer or, failing the Issuer and with respect to Warrants other than Secured W&C Instruments, the Guarantor, through the relevant Instrument Agent, shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Expenses not already paid.

In the case of Swedish Warrants, payment of the Cash Settlement Amount (if any) less Expenses will be made to the persons registered as Holders in the Swedish Register (A) on the fifth business day (where the Swedish Warrants have been registered by the Swedish CSD (i) on the basis of notional amount or (ii) in Euro) or, as the case may be, (B) on the fourth business day (where the Swedish Warrants have been registered by the Swedish CSD on the basis of the number of W&C Instruments) (in each case as such business day is defined by the then applicable Swedish CSD Rules) before the due date for such payment, or, in each case, (C) on such other business day falling closer to the due date for payment as then may be stipulated in the Swedish CSD Rules (such date being the "**Record Date**" for Swedish Warrants). The Swedish Instrument Agent will pay the Cash Settlement Amount through the Swedish CSD to each Holder appearing in the Swedish Register on the Record Date on the Settlement Date.

In the case of Finnish Warrants, payment of the Cash Settlement Amount (if any) less Expenses will be made to the persons registered as Holders in the Finnish Register on the third Business Day before the due date for such payment, or on such Business Day falling closer to the due date for payment as may be stipulated in the Euroclear Finland Rules (such date being the "**Record Date**" for Finnish Warrants). The Finnish Instrument Agent will on the Settlement Date pay the Cash Settlement Amount to the account operators of each Holder appearing in the Finnish Register on the Record Date in accordance with the Euroclear Finland Rules.

In the case of CREST Warrants, payment of the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, will be made to the Holder's cash memorandum account as shown in the records of the Operator for value on the Settlement Date less any Expenses, such payment to be made in accordance with the rules of the Operator. The Issuer's obligations in relation to the Cash Settlement Amounts in respect of the Warrants or Units, as the case may be, will be discharged by payment (as shown in the records of the Operator) to the cash memorandum account of the relevant Holder as shown in the records of the Operator. Each of the persons shown in the Operator register of corporate securities as the holder of a particular number of Warrants must look solely to the settlement bank or institution at which its

cash memorandum account is held for his share of each such payment so made by or on behalf of the Issuer.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(b) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices, if any, and payment of any Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement, for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice subject as provided in Condition 23(C) (*Physical Settlement*).

The Entitlement will be evidenced by the delivery of the Entitlement to the securities account with such clearing system (the "**Physical Delivery Clearing System**") or in such other manner as shall have been specified by the Holder in the relevant Exercise Note. The Issuer, Guarantor and Calculation Agent shall be under no obligation to register or procure the registration of a Holder in the register of members of the Share Company.

The Entitlement will be delivered to such securities account with such Physical Delivery Clearing System or in such other manner as shall have been specified by the Holder in the relevant Exercise Notice, provided that, if, in the opinion of the Issuer, delivery of the Entitlement to the Holder in the manner specified by the Holder or through the Physical Delivery Clearing System specified by the Holder is not commercially reasonable, the Issuer shall deliver the Entitlement to the Holder through a clearing system which the Issuer determines to be commercially reasonable for such delivery and references to "Physical Delivery Clearing System" shall be deemed to be references to such clearing system selected by the Issuer. For the avoidance of doubt, the Issuer or the Guarantor will be fully discharged of any and all obligations with respect to delivery of the Entitlement by making delivery in the manner specified by the Holder in the relevant Exercise Notice.

(D) *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall, in the case of Warrants represented by a Global Warrant, be made by the Principal Warrant Agent or, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, Euroclear or Clearstream, Luxembourg, as the case may be, in consultation with the Principal Warrant Agent or, in the case of CREST Warrants, the CREST Agent, and shall be conclusive and binding on the Issuer, the relevant Instrument Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not sent to Merrill Lynch International by the Principal Warrant Agent, immediately after being delivered or sent to Euroclear and/or Clearstream, Luxembourg, the Frankfurt Warrant Agent or the CREST Agent, as the case may be, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Warrant Agent or, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, Euroclear or Clearstream, Luxembourg in consultation with the Principal Warrant Agent or, in the case of CREST Warrants, the CREST Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Euroclear or Clearstream, Luxembourg, the Frankfurt Warrant Agent or the CREST Agent, as the case may be, with a copy to the Principal Warrant Agent, in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant, Merrill Lynch International.

If Automatic Exercise is not specified in the applicable Final Terms, any Warrants (other than CREST Warrants) with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 23(A)(a) (*American Style Warrants*), in the case of American Style Warrants,

or Condition 23(A)(b) (*European Style Warrants*), in the case of European Style Warrants, shall become void.

Euroclear and/or Clearstream, Luxembourg, the Frankfurt Warrant Agent or the CREST Agent, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Warrant Agent, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Instrument Agents, Euroclear and/or Clearstream, Luxembourg, Clearstream, Frankfurt or Euroclear UK, shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

(E) *Automatic Exercise*

This paragraph only applies to Warrants which are not Swedish Warrants or Finnish Warrants and if Automatic Exercise is specified in the applicable Final Terms and the Warrants are automatically exercised as provided in Condition 23(A)(a) (*American Style Warrants*) or Condition 23(A)(b) (*European Style Warrants*).

In order to receive the Cash Settlement Amount, if the Warrants are Cash Settled Warrants, or the Entitlement, if the Warrants are Physical Delivery Warrants, in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must: (A) in the case of Warrants represented by a Euroclear/CBL Global Registered Warrant send a duly completed Exercise Notice to Euroclear or Clearstream, Luxembourg, as the case may be on any Business Day until not later than 10.00 a.m., Brussels or Luxembourg time (as appropriate), on the day (the "**Cut- Off Date**") falling 180 calendar days after (i) the Expiration Date, in the case of American Style Warrants, (ii) the Actual Exercise Date, in the case of European Style Warrants or (B) in the case of Warrants represented by a CBF Global Warrant, deliver a duly completed Exercise Notice to the Frankfurt Warrant Agent with a copy to Merrill Lynch International, the Principal Warrant Agent on any Business Day until not later than 10.00 a.m., Frankfurt time on the Cut-Off Date (as defined above) or (C) in the case of CREST Warrants, deliver a duly completed Exercise Notice to the CREST Agent with a copy to Merrill Lynch International and the Principal Warrant Agent on any Business Day until not later than 10.00 a.m., London time on the Cut-Off Date (as defined above). The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 24(A)(a) (*Warrants represented by a Euroclear/CBL Global Registered Warrant*) or Condition 24(A)(b) (*Warrants represented by a CBF Global Warrant*), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-Off Date on which an Exercise Notice is delivered to Euroclear, Clearstream, Luxembourg, the Frankfurt Warrant Agent or the CREST Agent, as the case may be, and a copy thereof delivered to Merrill Lynch International by the Principal Warrant Agent, is referred to in this Condition as the "**Exercise Notice Delivery Date**", provided that if the Exercise Notice is delivered to Euroclear or Clearstream, Luxembourg, the Frankfurt Warrant Agent or the CREST Agent, as the case may be, and a copy thereof delivered to the Principal Warrant Agent at or after 10.00 a.m., Brussels, Luxembourg, Frankfurt, or London time (as appropriate) on a Business Day the Exercise Notice Delivery Date shall be deemed to be the next succeeding Business Day.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Terms and Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be (i) in the case of Cash Settled Warrants, the fourth Business Day following the Exercise Notice Delivery Date and (ii) in the case of Physical Delivery Warrants and subject to Conditions 5(B) (*Failure to Deliver due to Illiquidity*) and 5(C) (*Issuer's Option to Vary Settlement*), the fourth Settlement Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not so deliver an Exercise Notice in accordance with this Condition prior to 10.00 a.m. Brussels, Luxembourg, Frankfurt or London time (as appropriate) on the Cut-Off Date, such Warrants shall expire worthless, and the Issuer's obligations in respect of such Warrants and, with respect to Warrants other than Secured W&C Instruments, the Guarantor's obligations in respect of the Guarantee shall be discharged and no further liability in respect thereof shall attach to the Issuer or (if applicable) the Guarantor.

(F) *Minimum and Maximum Number of Warrants Exercisable*

(a) American Style Warrants

This paragraph (a) applies only to American Style Warrants:

- (i) The number of Warrants exercisable by any Holder on any Actual Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "Quota"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(b) European Style Warrants

This paragraph (b) applies only to European Style Warrants:

The number of Warrants exercisable by any Holder on any Exercise Date as determined by the Issuer must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and be of no effect.

25. **Terms applicable to Certificates only**

Conditions 26 (*Definitions (Certificates)*), 27 (*Form of Certificates*), 28 (*Type and Title (Certificates)*), 29 (*Exercise Rights (Certificates)*) and 30 (*Collection Notices and Settlement (Certificates)*) apply to Certificates only.

26. **Definitions (Certificates)**

For the purposes of the Certificates:

"**Global W&C Instrument**" means, as the context so requires, a Global Certificate.

27. **Form of Certificates**

If the Certificates are to be issued into and transferred through accounts at Euroclear and Clearstream, Luxembourg ("**Euroclear/CBL Certificates**"), such Series of Euroclear/CBL Certificates will on issue be constituted by a global certificate in registered form (the "**Euroclear/CBL Global Registered Certificate**"), which will be deposited with a depositary common to Euroclear and Clearstream, Luxembourg and registered in the name of the nominee of such depositary.

If the Certificates are to be issued into and transferred through accounts at Clearstream, Frankfurt ("**CBF Certificates**"), such Series of CBF Certificates will on issue be constituted by a permanent global certificate in bearer form (the "**CBF Global Certificate**") provided, however, that the CBF Global Certificates will be treated as in registered form for United States federal income tax purposes. The CBF Global Certificate will be delivered on or prior to the Issue Date of the relevant series of CBF Global Certificates to Clearstream, Frankfurt.

The Euroclear/CBL Global Registered Certificates and the CBF Global Certificates are referred to herein as "**Global Certificates**" and each a "**Global Certificate**".

Euroclear/CBL Global Registered Certificates will be exchangeable in whole, but not in part, for individual certificates:

- (a) on the expiry of such period of notice as may be specified in the applicable Final Terms; or
- (b) at any time, if so specified in the applicable Final Terms; or
- (c) if the Issuer has been notified that Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system approved by the Holders of the Certificates is available.

Whenever the Euroclear/CBL Global Registered Certificate is to be exchanged for individual certificates, the Issuer shall procure that individual certificates will be issued in number or nominal amount equal to the number or nominal amount of the Euroclear/CBL Global Registered Certificates then outstanding within five Business Days of the delivery, by or on behalf of the registered holder of the Euroclear/CBL Global Registered Certificate to the Principal Certificate Agent of such information as is required to complete and deliver such individual certificates (including, without limitation, the names and addresses of the persons in whose names the individual certificates are to be registered and the number or nominal amount of each such person's holding) against the surrender of the Euroclear/CBL Global Registered Certificate at the specified office of the Principal Certificate Agent.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Certificates scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Principal Certificate Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) individual certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth calendar day after they are due to be issued and delivered in accordance with the terms of the Euroclear/CBL Global Registered Certificate; or
- (b) the date for final settlement of the Certificates has occurred and payment in full of all amounts due has not been made to the Holder of the Euroclear/CBL Global Registered Certificate on the due date for payment in accordance with the terms of the Euroclear/CBL Global Registered Certificate,

then the Euroclear/CBL Global Registered Certificate (including the obligation to deliver individual certificates) will become void at 5.00 p.m. (London time) on such thirtieth calendar day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Euroclear/CBL Global Registered Certificate will have no further rights thereunder (but without prejudice to the rights which the holder of the Euroclear/CBL Global Registered Certificate or others may have under the W&C Instruments Deed of Covenant). Under the W&C Instruments Deed of Covenant, each Holder is entitled to exercise or enforce in respect of each Certificate held by him, the rights and obligations attaching to the relevant Certificate as set out in, and subject to, the W&C Instruments Deed of Covenant, the Conditions and the applicable Final Terms issued in respect of such Certificates.

If the Certificates are to be issued into and cleared through the Swedish CSD ("**Swedish Certificates**"), such Series of Swedish Certificates will be issued in dematerialised and uncertificated book-entry form in accordance with the Swedish Financial Instruments Accounts Act (in Swedish: *lag (1998: 1479) om kontoföring av finansiella instrument*).

If the Certificates are to be issued into and cleared through Euroclear Finland ("**Finnish Certificates**"), such Series of Finnish Certificates will be issued in dematerialised and uncertificated book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta (749/2012)*), the Finnish Act on Book-Entry Accounts (in Finnish: *laki arvo-osuustileistä (827/1991)*) and the Euroclear Finland Rules.

If the Certificates are to be issued into and cleared through accounts at Euroclear UK (the "**CREST Certificates**"), such Series of CREST Certificates will be issued in uncertificated form in accordance with the Uncertificated Securities Regulations. The Certificates are participating securities for the purposes of the Uncertificated Securities Regulations.

28. **Type and Title (Certificates)**

(A) *Cash Settled Certificates*

If the Certificates are Swedish Certificates or Finnish Certificates, they will be Cash Settled Certificates.

(B) *Definitive Registered Certificates*

(a) *Transfers of Definitive Registered Certificates*

Transfers of Definitive Registered Certificates are effected upon (i) the surrender (at the specified office of the Principal Certificate Agent) of the individual certificate representing such Definitive Registered Certificates to be transferred, together with the form of transfer (which shall be available at the specified office of the Principal Certificate Agent) endorsed on such individual certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Principal Certificate Agent may reasonably require, (ii) the recording of such transfer in the Register; and (iii) the issuance of a new individual certificate to the transferee.

(b) *Part Transfer of Definitive Registered Certificates*

In the case of a transfer of part only of a holding of a Definitive Registered Certificate represented by one individual certificate, a new individual certificate shall be issued to the transferee in respect of the part transferred and a further new individual certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(C) *Delivery of New Individual Certificates*

Each new individual certificate to be issued pursuant to this Condition 28 (*Type and Title (Certificates)*) shall be available for delivery within three Business Days of receipt of the form of transfer and surrender of the individual certificate for exchange. Delivery of the new individual certificate(s) shall be made at the specified office of the Principal Certificate Agent to whom delivery or surrender of such request for exchange, form of transfer, or individual certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new individual certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Principal Certificate Agent the costs of such other method of delivery and/or such insurance as it may specify.

(D) *Closed Periods in respect of Definitive Registered Certificates*

No Holder may require the transfer of a Definitive Registered Certificate to be registered:

- (a) after any such Certificate has been called for cancellation or settlement; or
- (b) during the period of seven calendar days ending on (and including) any Settlement Record Date or Additional Amount Payment Record Date.

(E) *Exchange Free of Charge*

Exchange and transfer of Certificates on registration, transfer, cancellation, settlement or exercise of an option (as applicable) shall be effected without charge by or on behalf of the Issuer or the Principal Certificate Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Principal Certificate Agent may require).

29. **Exercise Rights (Certificates)**

(A) *Exercise*

Certificates shall be automatically exercised on the Actual Exercise Date. If the Certificates are Cash Settled Certificates, each such Certificate entitles its Holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount. If the Certificates are Physical Delivery Certificates, each such Certificate entitles its Holder, subject to certification as to non-U.S. beneficial ownership and to the provisions of Condition 30(A) (*Collection Notices*), to receive from the Issuer on the Settlement Date the Entitlement subject to payment of any Expenses.

The Entitlement will be evidenced by the delivery of the Entitlement to the securities account with the Physical Delivery Clearing System or in such other manner as shall have been specified by the Holder in the relevant Collection Notice. The Issuer, (if applicable) the Guarantor and the Calculation Agent shall be under no obligation to register or procure the registration of a Holder in the register of members of the Share Company.

The Entitlement will be delivered to such securities account with the Physical Delivery Clearing System or in such other manner as shall have been specified by the Holder in the relevant Collection Notice, provided that, if, in the opinion of the Issuer, delivery of the Entitlement to the Holder in the manner specified by the Holder or through the Physical Delivery Clearing System specified by the Holder is not commercially reasonable, the Issuer shall deliver the Entitlement to the Holder through a clearing system which the Issuer determines to be commercially reasonable for such delivery and references to "Physical Delivery Clearing System" shall be deemed to be references to such clearing system selected by the Issuer. For the avoidance of doubt, the Issuer or, with respect to Certificates other than Secured W&C Instruments, the Guarantor will be fully discharged of any and all obligations with respect to delivery of the Entitlement by making delivery in the manner specified by the Holder in the relevant Collection Notice.

Certificates of the same Holder automatically exercised and in respect of which a Collection Notice (as defined below) has been duly given as provided in Condition 30(A) (*Collection Notices*), will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates, provided that the aggregate Entitlements will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment calculated by the Calculation Agent in its sole and absolute discretion shall be paid to the Holder.

Following exercise of a Share Certificate which is a Physical Delivery Certificate, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such

dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Collection Notice as referred to in Condition 30(A)(a)(1)(v) (*Euroclear/CBL Certificates*), Condition 30(A)(b)(1)(iii) (*CBF Certificates*), Condition 30(A)(c)(1)(v) (*CREST Certificates*) or Condition 30(A)(d)(1)(iii) (*Definitive Registered Certificates*), as applicable.

The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any Certificates which are automatically exercised on the Actual Exercise Date in accordance with this provision.

(B) *Prescription*

Definitive Registered Certificates 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 additional amounts) after the Relevant Date (as defined below) therefor.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the relevant Instrument Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 12 (*Notices*).

30. **Collection Notices and Settlement (Certificates)**

(A) *Collection Notices*

(a) Euroclear/CBL Certificates

If the Certificates are Euroclear/CBL Certificates, in order to receive the Entitlement in respect of a Certificate, the relevant Holder must send an instruction by authenticated SWIFT message or by any other authorised communication channel, in accordance with Euroclear and/or Clearstream, Luxembourg's rules and operating procedures (a "**Collection Notice**") which includes the information set out in Schedule 8 Part 2 to the Agency Agreement (copies of which may be obtained from Euroclear, Clearstream, Luxembourg and the relevant Instrument Agents) to Euroclear or Clearstream, Luxembourg, as the case may be, on any Business Day up until not later than 10.00 a.m., Brussels or Luxembourg time (as appropriate), on the Actual Exercise Date (the "**Cut-Off Date**"). Euroclear and Clearstream, Luxembourg will send a copy of any Collection Notices so received to the Principal Certificate Agent. The Principal Certificate Agent will send such copies to Merrill Lynch International.

(1) The Collection Notice shall:

- (i) specify the Series of the Certificates and the number of Certificates the subject of such Collection Notice;
- (ii) except in the case of Definitive Registered Certificates, specify the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Certificates the subject of such Collection Notice;
- (iii) except in the case of Definitive Registered Certificates, irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Holder's account with the Certificates the subject of such Collection Notice;
- (iv) Include an undertaking to pay all Expenses and except in the case of Definitive Registered Certificates, an authority to Euroclear or Clearstream, Luxembourg, as the case may be, to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;

- (v) include such details as are required by Condition 29(A) (*Exercise*), for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account with Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of a Definitive Registered Certificate, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable;
 - (vi) certify, *inter alia*, that the beneficial owner of each Certificate which is the subject of such Collection Notice is not a United States Person, the Certificate was not held on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
 - (vii) (authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Agency Agreement.
- (2) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the information required to be provided in the Collection Notice will be different from that set out above. Copies of such information required for this Collection Notice may be obtained from Euroclear, Clearstream, Luxembourg and the Principal Certificate Agent.

(b) CBF Certificates

If the Certificates are CBF Certificates, in order to receive the Entitlement in respect of a Certificate, the relevant Holder must transfer such Certificates to the Frankfurt Certificate Agent and deliver or send by fax or authenticated SWIFT message (confirmed in writing) a duly completed CBF collection notice (a "**Collection Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the Principal Certificate Agent or Frankfurt Certificate Agent) in each case to the Frankfurt Certificate Agent with a copy to Merrill Lynch International and the Principal Certificate Agent on any Business Day up until not later than 10.00 a.m., Frankfurt time, on the Actual Exercise Date (the "**Cut-Off Date**").

- (1) The Collection Notice shall:
 - (i) specify the Series of the Certificates and the number of Certificates the subject of such Collection Notice;
 - (ii) include an undertaking to pay all Expenses;
 - (iii) include such details as are required by Condition 29(A) (*Exercise*), for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency to be credited with

any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable;

- (iv) certify, *inter alia*, that the beneficial owner of each Certificate which is the subject of such Collection Notice is not a United States Person, the Certificate was not held on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
- (v) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (2) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the form of Collection Notice required to be delivered will be different from that set out above. Copies of such Collection Notice may be obtained from the Principal Certificate Agent or Frankfurt Certificate Agent.

(c) CREST Certificates

If the Certificates are CREST Certificates, in order to receive the Entitlement in respect of a Certificate, the relevant Holder must deliver or send by fax or authenticated SWIFT message (confirmed in writing) to the CREST Agent a duly completed collection notice (a "**Collection Notice**") in the form set out in the Agency Agreement (copies of which form may be obtained from the CREST Agent) with a copy to Merrill Lynch International and the Principal Certificate Agent on any Business Day up until not later than 10.00 a.m., London time, on the Actual Exercise Date (the "**Cut-Off Date**").

- (1) The Collection Notice shall:
 - (i) specify the name, address and a contact telephone number of the relevant Holder;
 - (ii) specify the ISIN and the Series number of the Certificates and the number of Certificates to which the Physical Delivery Confirmation Notice relates;
 - (iii) specify the cash memorandum account of the Holder as shown in the records of the Operator from which the aggregate Expenses (together with any other amounts payable) in respect of such Certificates will be paid to the CREST Agent's account with the Operator against delivery of the Entitlement on the Redemption Date;
 - (iv) irrevocably agree to deliver such instructions to the Operator as may be requested by the CREST Agent to give effect to the delivery and payments described in (iii) above;
 - (v) include such details as are required by Condition 29(A) (*Exercise*), for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the

name and the number of the Holder's cash memorandum account as shown in the records of the Operator, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price;

- (vi) certify, *inter alia*, that the beneficial owner of each Certificate which is the subject of such Collection Notice is not a United States Person, the Certificate was not held on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (2) If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the form of Collection Notice required to be delivered will be different from that set out above. Copies of such Collection Notice may be obtained from the Principal Certificate Agent or the CREST Agent.

(d) Definitive Registered Certificates

If the Certificates are Definitive Registered Certificates, in order to receive the Entitlement in respect of a Certificate, the relevant Holder must deliver an instruction in writing (a "**Collection Notice**") which includes the information set out in Schedule 8 Part 5 to the Agency Agreement (copies of which may be obtained from the Principal Certificate Agent) along with the relevant individual certificate representing such Holder's holding in the Definitive Registered Certificate to the Principal Certificate Agent on any Business Day up until not later than 10.00 a.m., Luxembourg time, on the Actual Exercise Date (the "**Cut-Off Date**"). The Principal Certificate Agent will send a copy of any Collection Notices so received to Merrill Lynch International.

- (1) The Collection Notice shall:
 - (i) specify the Series of the Certificates and the number of Certificates the subject of such Collection Notice;
 - (ii) include an undertaking to pay all Expenses;
 - (iii) include such details as are required by Condition 29(A) (*Exercise*), for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable;

- (iv) certify, *inter alia*, that the beneficial owner of each Certificate which is the subject of such Collection Notice is not a United States Person, the Certificate was not held on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States; and
- (v) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (2) (If Condition 5(C) (*Issuer's Option to Vary Settlement*) applies, the information required to be provided in the Collection Notice will be different from that set out above. Copies of such information required for this Collection Notice may be obtained from the Principal Certificate Agent.

(e) Late Delivery and Non-delivery of Collection Notice

If a Holder so delivers a duly completed Collection Notice after the Cut-Off Date, the Entitlement shall be delivered as soon as practicable after the Settlement Date, provided that if a Holder does not so deliver a duly completed Collection Notice in accordance with this Condition 30(A) (*Collection Notices*) prior to the close of business in the place of receipt on the 90th calendar day following the Cut-Off Date, the Issuer's obligations in respect of such Certificates and, with respect to Certificates other than Secured W&C Instruments, the Guarantor's obligations in respect of such Certificates and the Guarantor's obligations in respect of the Guarantee shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise as a result of such Settlement Date falling after the originally designated Settlement Date and no liability in respect hereof shall attach to the Issuer or (if applicable) the Guarantor.

After the delivery of a Collection Notice, the relevant Holder may not transfer the Certificates to which the Collection Notice relates.

(B) *Verification of the Holder*

In the case of a Collection Notice submitted in respect of a Euroclear/CBL Certificate, upon receipt of a valid Collection Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person submitting the Collection Notice is the holder of the relevant Certificates according to the books of Euroclear or Clearstream, Luxembourg, as the case may be. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Certificate Agent the ISIN and the amount of Certificates being exercised, the account number of the exercising Holder, a confirmation of the exercising Holder's certification, the relevant account details (if applicable) and the details for the delivery of the Entitlement in respect of each Certificate the subject of the relevant Collection Notice. Upon receipt of such confirmation, the Principal Certificate Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Settlement Date debit the account of the relevant Holder with the Certificates the subject of the relevant Collection Notice.

In the case of a Collection Notice submitted in respect of a CBF Certificate, upon receipt of a Collection Notice and the Certificates the Frankfurt Certificate Agent shall verify that the person delivering the Collection Notice is (or, if the Certificates have been transferred to the Frankfurt Certificate Agent in accordance with Condition 30(A)(b) (*CBF Certificates*) above, prior to such transfer was) the Holder according to the records of Clearstream, Frankfurt. Subject thereto, the Frankfurt Certificate Agent shall notify the Issuer of the Series number

and the number of Certificates the subject of such notice, the account details and the details for the delivery of the Entitlement of each Certificate.

In the case of a CREST Certificate, upon receipt of a Collection Notice the CREST Agent shall verify that the person delivering the Collection Notice was the Holder according to the Record maintained by the CREST Agent. Subject thereto, the CREST Agent shall notify the Issuer of the ISIN and the number of Certificates and the relevant account details for the delivery of the Entitlement in respect of each Certificate being subject of the relevant Collection Notice. Upon receipt of such Collection Notice, the CREST Agent will inform the Issuer thereof.

(C) *Settlement*

(a) Cash Settled Certificates

For so long as the Certificates are represented by Definitive Registered Certificates, the Issuer, or failing the Issuer and, with respect to Certificates other than Secured W&C Instruments, the Guarantor shall pay or cause to be paid the Cash Settlement Amount (if any) of each Certificate by credit or transfer to an account in the relevant Settlement Currency specified by the Holder, or at the option of the Holder, by cheque mailed to the address of the Holder in the Register on the fifteenth calendar day before the due date for such payment (such date being the "**Settlement Record Date**" for Definitive Registered Certificates). In order to receive the Cash Settlement Amount less any Expenses, the Holder must deliver the relevant individual certificate to the Principal Certificate Agent.

For so long as the Certificates are represented by a Global Certificate, subject as provided below, the Issuer or failing the Issuer and, with respect to Certificates other than Secured W&C Instruments, the Guarantor shall pay or cause to be paid the Cash Settlement Amount (if any) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System for value on the Settlement Date less any Expenses. The Issuer or (if applicable) the Guarantor, as applicable, will be discharged by payment to, or to the order of, the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the Certificates must look solely to such Clearing System for his share of each such payment so made to, or to the order of such Clearing System.

In the case of Swedish Certificates, subject as provided below, payment of the Cash Settlement Amount (if any) for each Certificate will be made to the persons registered as the Holders in the Swedish Register (A) on the fifth business day (where the Swedish Certificates have been registered by the Swedish CSD (i) on the basis of notional amount or (ii) in Euro) or, as the case may be, (B) on the fourth business day (where the Swedish Certificates have been registered by the Swedish CSD on the basis of the number of W&C Instruments) (in each case as such business day is defined by the then applicable Swedish CSD Rules) before the due date for such payment, or, in each case, (C) on such other business day falling closer to the due date for payment as then may be stipulated in the Swedish CSD Rules (such date being the "**Settlement Record Date**" for Swedish Certificates). The Swedish Instrument Agent will pay the Cash Settlement Amount less any Expenses through the Swedish CSD to each Holder appearing in the Swedish Register on the Settlement Record Date on the Settlement Date.

In the case of Finnish Certificates, subject as provided below, payment of the Cash Settlement Amount (if any) for each Certificate will be made to the person registered as the Holder in the Finnish Register on (A) the third Business Day before the due date for such payment if the Finnish Certificates have been registered as warrants in the Finnish Register, (B) on the Business Day immediately preceding the due date for such payment if the Finnish Certificates have been registered as notes in the Finnish Register, or (C) such other Business Day falling closer to the due date for payment as may be stipulated in the Euroclear Finland Rules (such date being the "**Settlement**

Record Date" for Finnish Certificates). The Finnish Instrument Agent will on the Settlement Date pay the Cash Settlement Amount to the account operators of each Holder appearing in the Finnish Register on the Record Date in accordance with the Euroclear Finland Rules.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

Notwithstanding the foregoing, a cheque may not be delivered to an address in, a credit or transfer may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in, the United States by any office or agency of the Issuer, (if applicable) the Guarantor, the Principal Certificate Agent, any Instrument Agent or the Registrar.

In the case of CREST Certificates, payment of the Cash Settlement Amount (if any) for each Certificate will be made to the Holder's cash memorandum account as shown in the records of the Operator for value on the Settlement Date less any Expenses, such payment to be made in accordance with the rules of the Operator. The Issuer's obligations in relation to the Cash Settlement Amounts in respect of the Certificates will be discharged by payment (as shown in the records of the Operator) to the cash memorandum account of the relevant Holder as shown in the records of the Operator. Each of the persons shown in the Operator register of corporate securities as the holder of a particular number of Certificates must look solely to the settlement bank or institution at which its cash memorandum account is held for his share of each such payment so made by or on behalf of the Issuer.

(b) Physical Delivery Certificates

Subject to payment of any Expenses with regard to the relevant Certificates, the Issuer shall deliver, or procure the delivery of, the Entitlement for each Certificate in respect of which a valid Collection Notice (and, in the case of Definitive Registered Certificates, the relevant individual certificate in respect of the Definitive Registered Certificate) has been delivered as provided in Condition 30(A) (*Collection Notices*) pursuant to the details specified in the Collection Notice subject as provided in Condition 5 (*General provisions relating to Physical Settlement in respect of W&C Instruments (other than Rule 144A Warrants)*) and, in the case of CBF Certificates, in respect of which the relevant Certificates have been transferred to the Principal Certificate Agent, as provided in Condition 30(A) (*Collection Notices*).

The Issuer shall at the risk of the relevant Holder deliver the Entitlement in respect of each Certificate in such commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery.

(D) Determinations

Any determination as to whether a Collection Notice is duly completed and in proper form shall be made by the Principal Certificate Agent in consultation with, in the case of Euroclear/CBL Certificates, Euroclear or Clearstream, Luxembourg, or, in the case of CREST Certificates, the CREST Agent and shall be conclusive and binding on the Issuer, the relevant Instrument Agents and the relevant Holder. Subject as set out below, any Collection Notice so determined to be incomplete or not in proper form, or which is not sent to Merrill Lynch International by the Principal Certificate Agent immediately after being delivered or sent to Euroclear or Clearstream, Luxembourg, the Principal Certificate Agent, the Issuer or the CREST Agent, as applicable, shall be null and void.

If such Collection Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, the Principal Certificate Agent, the Issuer or the CREST Agent, as applicable, in consultation with the Principal Certificate Agent (in the case of Euroclear/CBL Certificates or Definitive Registered Certificates), it shall be deemed to be a new Collection Notice submitted at the time such correction was delivered to Euroclear or Clearstream, Luxembourg, the Principal Certificate Agent, the Issuer or the CREST Agent, as applicable,

and copied to the Principal Certificate Agent or Merrill Lynch International, as applicable (in the case of Euroclear/CBL Certificates).

Euroclear or Clearstream, Luxembourg, the Principal Certificate Agent, the Issuer or the CREST Agent, as applicable, shall use its best efforts promptly to notify the Holder submitting a Collection Notice if it has determined that such Collection Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Instrument Agents, Euroclear, Clearstream, Luxembourg, the Principal Certificate Agent and the CREST Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

31. **Rounding**

- (A) Unless otherwise specified in the relevant Product Conditions, the Conditions and the relevant Underlying Asset Conditions, for the purposes of any calculations referred to therein:
- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (0.000005 per cent. being rounded up to 0.00001 per cent.), or such other number of a percentage point as specified in the applicable Final Terms (with halves being rounded up or down as specified in the applicable Final Terms);
 - (b) subject to paragraphs (c), (d) and (e) below, all figures shall be rounded to the seventh decimal place, or such other number of decimal places as specified in the applicable Final Terms (with halves being rounded up or down as specified in the applicable Final Terms);
 - (c) all USD amounts resulting from such calculations or that fall due and payable will be rounded to the nearest cent (with one half cent being rounded up), or such other unit of USD as specified in the applicable Final Terms (with halves being rounded up or down as specified in the applicable Final Terms);
 - (d) all Japanese Yen amounts resulting from such calculations or that fall due and payable will be rounded to the next lower whole Japanese Yen amount, or such other unit of Japanese Yen amount as specified in the applicable Final Terms (with halves being rounded up or down as specified in the applicable Final Terms); and
 - (e) all amounts denominated in any other currency resulting from such calculations or that fall due and payable will be rounded to the nearest sub-unit of such currency (half a sub-unit being rounded upwards) and for this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent, or in any case, such other unit or sub-unit of such currency as specified in the applicable Final Terms (with halves being rounded up or down as specified in the applicable Final Terms).
- (B) If any amount, value, level or price (including any amount, figure or percentage resulting from any calculations referred to in the Product Conditions, the Conditions and the relevant Underlying Asset Conditions) is expressed as an absolute figure and also as a percentage in the applicable Final Terms and there is any inconsistency between (a) such absolute figure, and (b) such percentage, then the absolute figure shall prevail for the purposes of the Product Conditions, the Conditions and the relevant Underlying Asset Conditions.

If any amount, value, level or price (including any amount, figure or percentage resulting from any calculations referred to in the Product Conditions, the Conditions and the relevant Underlying Asset Conditions) is expressed as an absolute figure in the applicable Final Terms, then it shall be deemed that such amount, value, level or price has been rounded to the relevant number of decimal place(s), unit or sub-unit of currency as specified in paragraph (A) above, and if there is any inconsistency between: (i) the absolute figure specified in the applicable Final Terms, and (ii) any amount resulting from any calculation made in accordance with the Product Conditions, the Conditions and the relevant Underlying Asset Conditions (as

applicable), then the absolute figure shall prevail for the purposes of the Product Conditions, the Conditions and the relevant Underlying Asset Conditions.

- (C) Notwithstanding anything to the contrary in the Conditions or the Agency Agreement, each calculation of an amount payable in cash in respect of W&C Instruments shall be based on the aggregate nominal amount or number of all such W&C Instruments outstanding on such date (or the relevant affected portion thereof), rounded in accordance with the method provided in paragraph (A) above and distributed in accordance with the Relevant Rules.

"Relevant Rules" means the terms and conditions, rules, regulations or other procedures governing the use of Clearstream, Luxembourg, Euroclear and/or such other relevant Clearing System, as may be amended, updated or replaced from time to time.

ANNEX 1

ADDITIONAL PRODUCT TERMS AND CONDITIONS

Calculations and Determinations

Unless otherwise specified, all calculations and determinations in these Product Conditions shall be made by the Calculation Agent. In respect of each such calculation and determination, (a) in the case of Notes, Note Condition 12(B) (*Calculation Agent*) shall apply and (b) in the case of W&C Instruments, W&C Instruments Condition 11(B) (*Calculation Agent*) shall apply.

Introduction

The provisions of this "Annex 1 - *Additional Product Terms and Conditions*" are the "Product Conditions" comprising part of the "Additional Terms and Conditions" as referred to in (in the case of Notes) "*Terms and Conditions of the Notes*" or (in the case of W&C Instruments) "*Terms and Conditions of the W&C Instruments*".

These Product Conditions comprise part of the Terms and Conditions of the relevant Notes or W&C Instruments (as applicable) if and to the extent they are specified to apply in the applicable Final Terms.

Interpretation

- (a) Words and expressions used in these Product Conditions shall have the meanings given to them herein. Words and expressions used but not otherwise defined in these Product Conditions shall have the meanings given to them in the Note Conditions, in the case of Notes, or the W&C Instruments Conditions, in the case of W&C Instruments and the relevant Underlying Asset Conditions (as applicable).
- (b) Each reference in these Product Conditions to "the Notes" shall be deemed to be a reference to "each nominal amount of Notes equal to the Calculation Amount".
- (c) To the extent that a series of Instruments are issued pursuant to a Securities Note, references in these Product Conditions to the "Final Terms" shall be read as references to the "Securities Note" in respect of such series of Instruments, and all such references shall be construed accordingly.
- (d) Terms in italics, other than section headings and the terms "*Min*" and "*Max*" are provided for descriptive purposes only, and do not form part of the Product Conditions

Indicative amounts

If the applicable Final Terms specify Non-exempt Offer to be applicable, the applicable Final Terms may specify an indicative amount, an indicative minimum amount, or an indicative maximum amount, or any combination of the foregoing, as applicable, in respect of any Specified Product Value which is not fixed or determined at the commencement of the Offer Period in respect of any Non-exempt Offer of the Instruments, and if so specified in the applicable Final Terms, references in the relevant Product Conditions to such Specified Product Value shall be construed as the amount, level, percentage, price, rate or value (as applicable) determined based on market conditions by the Calculation Agent in its sole and absolute discretion (acting in a commercially reasonable manner) on or around the end of the Offer Period, and is expected to be the indicative amount specified in the applicable Final Terms (if so specified) but may be different from such indicative amount, and:

- (a) if an indicative minimum amount is specified in the applicable Final Terms, the Specified Product Value will not be less than (or equal to) such indicative minimum amount; or
- (b) if an indicative maximum amount is specified in the applicable Final Terms, the Specified Product Value will not be more than (or equal to) such indicative maximum amount; or
- (c) if both an indicative minimum amount and indicative maximum amount is specified in the applicable Final Terms, the Specified Product Value will not be less than (or equal to) such

indicative minimum amount and will not be more than (or equal to) such indicative maximum amount,

all as specified in the applicable Final Terms.

Notice of the relevant Specified Product Value will be published prior to the Issue Date in accordance with (in the case of Notes) Note Condition 13 (*Notices*), and (in the case of W&C Instruments) in accordance with W&C Instruments Condition 12 (*Notices*) when such Specified Product Value is fixed or determined by the Calculation Agent on or around the end of the Offer Period and the relevant amount, level, percentage, price, rate or value specified in such notice will be deemed to be the Specified Product Value.

For these purposes, "**Specified Product Value**" means any amount, level, percentage, price, rate or value (including, but not limited to, the Accrual Level, Additional Percentage, Additional Amount Percentage, Additional Amount Percentage (Target Volatility), Additional Amount Threshold, Automatic Early Redemption Trigger, Automatic Early Redemption Knock-out Price, Barrier Level, Basket Weight, C, Coupon Strike, Final Threshold, Mandatory Early Exercise Trigger, Maximum Rate of Interest, Minimum Rate of Interest, Out Of The Money Level, Participation, Participation 1, Participation 2, Put Value, Strike, Strike Amount, v , $Weight_{(i)}$) which is specified in the relevant Product Conditions as the amount, level, percentage, price, rate or value (as applicable) specified in the applicable Final Terms (or phrase of similar import).

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Part 1

Note Product Conditions

The following Part 1 of the Product Conditions (the "**Note Product Conditions**") shall apply to Notes to the extent specified to apply in the applicable Final Terms.

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1. Determination of Final Redemption Amount and/or Entitlement

The Final Redemption Amount and/or Entitlement shall be determined in accordance with such of the following provisions as are specified to be applicable in the applicable Final Terms:

1.1 FRA 1

This Note Product Condition 1.1 applies if the applicable Final Terms specify that "FRA 1" is applicable.

(a) Final Redemption Amount and/or Entitlement

The Notes will be "**Cash Settled Notes and/or Physical Delivery Notes**" and will be redeemed by the Issuer in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if a Barrier Event has not occurred in respect of the Index, Cash Settlement shall apply and the Notes will be redeemed by payment on the Maturity Date of the Final Redemption Amount, which shall be an amount equal to the Calculation Amount; or
- (ii) if a Barrier Event has occurred in respect of the Index, Physical Settlement shall apply and the Notes will be redeemed by procuring the delivery of the Entitlement and payment of the Cash Portion (which may be zero) on the Maturity Delivery Date (all subject to and in accordance with the terms of "Annex 7 – *Additional Terms and Conditions for Physical Delivery Notes*").

(b) Related Definitions

The following terms shall have the following meanings for the purposes of Note Product Condition 1.1(a) (*Final Redemption Amount and/or Entitlement*) above (in addition to any other relevant defined terms set out in Note Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"**Barrier Event**" means (and a Barrier Event shall be deemed to occur if) in respect of the Index, where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;

- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;
- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"Barrier Level" means, in respect of the Index, the amount specified in the applicable Final Terms as the "Barrier Level" or a percentage of the Initial Level of the Index specified in the applicable Final Terms as the "Barrier Level" (or both).

"Barrier Reference Value" has the meaning given in Note Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value, where "Barrier Period" is applicable or (ii) a closing value, where "Barrier Date(s)" is applicable, as specified in the applicable Final Terms.*

"Calculation Amount" means an amount specified in the applicable Final Terms.

"Cash Portion" means in respect of the Notes (which shall be deemed to be "Fund Linked Redemption Notes" for the purposes of determining the Cash Portion), an amount (which may be zero) in the Specified Currency calculated in accordance with the following formula:

$$\text{Final Redemption Calculation Amount} - (\text{Entitlement} \times \text{ETF Final Price})$$

"Entitlement" means, in respect of the Notes (which shall be deemed to be "Fund Linked Redemption Notes" for the purposes of determining the Entitlement), a quantity of the Relevant Asset equal to the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the Fixed Fund Share Amount, and such quantity will be, if applicable, subject to further rounding as provided in Physical Delivery Note Condition 2 (*Delivery of Entitlement and Asset Transfer Notices*), and includes any documents evidencing such Relevant Asset.

"ETF Final Price" means, in respect of a Fund Share, the Fund Share Closing Price of such Fund Share on the ETF Valuation Date, as determined by the Calculation Agent, subject to adjustment in accordance with the Fund Linked Conditions.

"ETF Valuation Date" means, in respect of a Fund Share, the Final Index Valuation Date, following all adjustments, if any, pursuant to the Index Linked Conditions, and where specified as a "Valuation Date" in the applicable Final Terms, if such day is not a Scheduled Trading Day or is a Disrupted Day in respect of the Fund Share, subject to further adjustment as a "Valuation Date" in accordance with the Fund Linked Conditions.

"Final Index Valuation Date" means, in respect of an Index the tenth Scheduled Trading Day prior to the Maturity Date or such other number of Scheduled Trading Days prior to the Maturity Date as specified in the applicable Final Terms, and if such day is a Disrupted Day for such Index, subject to adjustment as a "Valuation Date" in accordance with the Index Linked Conditions.

"Final Redemption Calculation Amount" means, in respect of an Index, an amount in the Specified Currency calculated in accordance with the following formula:

$$\text{Calculation Amount} \times \frac{\text{Final Reference Level}}{\text{Initial Level}}$$

"Final Reference Level" means, in respect of an Index, the Index Closing Level of such Index in respect of the Final Index Valuation Date, as determined by the Calculation Agent.

"Fixed Fund Share Amount" means a number of Fund Shares of the ETF calculated in accordance with the following formula:

$$\frac{\text{Final Redemption Calculation Amount}}{\text{ETF Final Price}}$$

"Initial Level" means, in respect of an Index, if the applicable Final Terms specify:

- (i) "Initial Index Level" to be applicable, the Index Level of such Index on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Level" in the row corresponding to such Index; or
- (i) "Initial Index Strike Level" to be applicable, the relevant level of such Index specified in the Underlying Asset(s) Information Table in the column entitled "Initial Level" in the row corresponding to such Index; or
- (ii) "Initial Index Closing Level" to be applicable, the Index Closing Level of such Index on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Level" in the row corresponding to such Index,

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Index Linked Conditions.

"Relevant Asset" means the Fund Shares of the ETF.

"Round Lot" means, in respect of a Relevant Asset, a number determined by the Calculation Agent equal to the smallest number of such Relevant Asset that can be traded on the Exchange for such Relevant Asset, as specified by the relevant Exchange.

1.2 FRA 2

This Note Product Condition 1.2 applies if the applicable Final Terms specify "FRA 2" is applicable.

(a) Final Redemption Amount

The Notes will be "Cash Settled Notes" and will be redeemed by payment of the Final Redemption Amount on the Maturity Date, which shall be an amount determined in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if a Barrier Event has not occurred in respect of the Index, the Final Redemption Amount shall be:

Calculation Amount; or

- (ii) if a Barrier Event has occurred in respect of the Index, the Final Redemption Amount shall be calculated in accordance with the following formula:

$$\text{Calculation Amount} \times \min \left[\text{Maximum FRA}; \max \left(\text{Minimum FRA}; \frac{\text{Final Reference Level}}{\text{Initial Level}} \right) \right]$$

The Final Redemption Amount calculated in accordance with the formula above will be rounded to the nearest unit (or, in the case of Japanese Yen, the nearest yen) in the relevant Specified Currency, with half a unit being rounded upwards, and for these purposes "unit" means the lowest amount of the relevant Specified Currency that is available as legal tender in the country of the Specified Currency and in the case of euro means 0.01.

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of Note Product Condition 1.2(a) (*Final Redemption Amount*) above (in addition to any other relevant defined terms set out in Note Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Barrier Event" means (and a Barrier Event shall be deemed to occur if) in respect of the Index, where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;
- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"Barrier Level" means, in respect of the Index, the amount specified in the applicable Final Terms as the "Barrier Level" or a percentage of the Initial Level of the Index specified in the applicable Final Terms as the "Barrier Level" (or both).

"Barrier Reference Value" has the meaning given in Note Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value, where "Barrier Period" is applicable or (ii) a closing value, where "Barrier Date(s)" is applicable, as specified in the applicable Final Terms.*

"Calculation Amount" means an amount specified in the applicable Final Terms.

"Final Index Valuation Date" means, in respect of an Index the tenth Scheduled Trading Day prior to the Maturity Date or such other number of Scheduled Trading Days prior to the Maturity Date as specified in the applicable Final Terms, and if such day is a Disrupted Day for such Index, subject to adjustment as a "Valuation Date" in accordance with the Index Linked Conditions.

"Final Reference Level" means, in respect of an Index, the Index Closing Level of such Index in respect of the Final Index Valuation Date, as determined by the Calculation Agent.

"Initial Level" means, in respect of an Index, if the applicable Final Terms specify:

- (i) "Initial Index Level" to be applicable, the Index Level of such Index on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Level" in the row corresponding to such Index; or
- (ii) "Initial Index Strike Level" to be applicable, the relevant level of such Index specified in the Underlying Asset(s) Information Table in the column entitled "Initial Level" in the row corresponding to such Index; or
- (iii) "Initial Index Closing Level" to be applicable, the Index Closing Level of such Index on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Level" in the row corresponding to such Index,

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Index Linked Conditions.

"**Max**" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"**Maximum FRA**" means a percentage as specified in the applicable Final Terms.

"**Min**" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"**Minimum FRA**" means a percentage as specified in the applicable Final Terms.

1.3 FRA 3

This Note Product Condition 1.3 applies if the applicable Final Terms specify "FRA 3" is applicable.

(a) Final Redemption Amount and/or Entitlement

The Notes will be "Cash Settled Notes and/or Physical Delivery Notes" and will be redeemed by the Issuer in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if a Barrier Event has not occurred to any Share in the Basket of Shares, Cash Settlement shall apply and the Notes will be redeemed by payment on the Maturity Date of the Final Redemption Amount, which shall be an amount equal to the Calculation Amount; or
- (ii) if a Barrier Event has occurred to one or more Shares in the Basket of Shares, Physical Settlement shall apply and the Notes will be redeemed by procuring the delivery of the Entitlement on the Maturity Delivery Date and payment of the Cash Portion (which may be zero) on the Maturity Date (all subject to and in accordance with the terms of "Annex 7 – *Additional Terms and Conditions for Physical Delivery Notes*"). No Residual Share Amount will be delivered.

(b) Related Definitions

The following terms shall have the following meanings for the purposes of Note Product Condition 1.3(a) (*Final Redemption Amount*) above (in addition to any other relevant defined terms set out in Note Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"**Barrier Event**" means (and a Barrier Event shall be deemed to occur if) in respect of a Share, where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;
- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"**Barrier Level**" means, in respect of a Share, the amount specified in the applicable Final Terms as the "Barrier Level" corresponding to the Share, or a percentage of the Initial Price of the Share specified in the applicable Final Terms as the "Barrier Level" corresponding to the Share (or both).

"Barrier Reference Value" has the meaning given in Note Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value, where "Barrier Period" is applicable or (ii) a closing value, where "Barrier Date(s)" is applicable, as specified in the applicable Final Terms.*

"Calculation Amount" means an amount specified in the applicable Final Terms.

"Cash Portion" means, in respect of the Notes, an amount (which may be zero) in the Specified Currency calculated in accordance with the following formula:

$$\text{Residual Share Amount} \times \text{Final Reference Price}_{WPS}$$

"Entitlement" means, in respect of the Notes, a quantity of the Relevant Asset equal to the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the relevant Fixed Share Amount, and such quantity will be, if applicable, subject to further rounding as provided in Physical Delivery Note Condition 2 (*Delivery of Entitlement and Asset Transfer Notices*), and includes any documents evidencing such Relevant Asset.

"Exchange Rate (Fixed Share Amount)" means the relevant Exchange Rate in respect of the Final Share Basket Valuation Date.

"Final Reference Price_{WPS}" means the Share Closing Price of the Worst Performing Share on the Final Share Basket Valuation Date, as determined by the Calculation Agent.

"Final Share Basket Valuation Date" means the tenth Common Scheduled Trading Day prior to the Maturity Date or such other number of Common Scheduled Trading Days prior to the Maturity Date as specified in the applicable Final Terms, and where specified as a "Valuation Date" in the applicable Final Terms, if such day is a Disrupted Day for one or more Shares in the Basket of Shares, subject to adjustment as a "Valuation Date" in accordance with the Share Linked Conditions.

"Fixed Share Amount" means, if the applicable Final Terms specify:

- (i) **"FX Conversion"** to be not applicable, a number of shares of the Relevant Asset calculated in accordance with the following formula:

$$\frac{\text{Calculation Amount}}{\text{Strike Price}_{WPS}}$$

- (ii) **"FX Conversion"** to be applicable, a number of shares of the Relevant Asset calculated in accordance with the following formula:

$$\frac{\text{Calculation Amount} \times \text{Exchange Rate (Fixed Share Amount)}}{\text{Strike Price}_{WPS}}$$

"Initial Price" means, in respect of a Share, if the applicable Final Terms specify:

- (i) **"Initial Share Price"** to be applicable, the Share Price of such Share on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Price" in the row corresponding to such Share;
- (ii) **"Initial Share Strike Price"** to be applicable, the relevant price of such Share specified in the Underlying Asset(s) Information Table in the column entitled "Initial Price" in the row corresponding to such Share;
- (iii) **"Initial Share Closing Price"** to be applicable, the Share Closing Price of such Share on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Price" in the row corresponding to such Share,

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Share Linked Conditions.

"Relevant Asset" means the Worst Performing Share on the Final Share Basket Valuation Date.

"Residual Share Amount" means the Specified Residual Share Amount specified in the applicable Final Terms, or if "Specified Residual Share Amount" is specified as "Not Applicable", an amount calculated in accordance with the following formula:

Fixed Share Amount – Entitlement

"Round Lot" means, in respect of a Relevant Asset, a number determined by the Calculation Agent equal to the smallest number of such Relevant Asset that can be traded on the Exchange for such Relevant Asset, as specified by the relevant Exchange.

"Share Performance" if specified as applicable in the applicable Final Terms, means in respect of a Share and any relevant day, an amount determined by the Calculation Agent as being equal to (i) the Share Closing Price of such Share on such day, divided by (ii) the Initial Price of such Share, and where the applicable Final Terms specifies **"Share Performance is rounded to four decimal places"**, the amount resulting from such determination shall be rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards.

"Specified Residual Share Amount" means an amount specified as such in the applicable Final Terms.

"Strike Price" means, in respect of a Share, the amount specified in the column entitled "Strike Price" in the Underlying Asset(s) Information Table and corresponding to such Share, and if specified in the applicable Final Terms, equal (or approximately equal) to such percentage of the Initial Price of such Share as specified in the applicable Final Terms.

"Strike Price_{WPS}" means the Strike Price of the Worst Performing Share on the Final Share Basket Valuation Date, as determined by the Calculation Agent.

"Worst Performing Share" means, in respect of a Basket of Shares and any relevant day, the Share with the lowest Share Performance on such day, as determined by the Calculation Agent (provided that if two or more Shares have the same lowest Share Performance on such day, the Calculation Agent shall determine which Share shall be the Worst Performing Share in its sole and absolute discretion, and such Share shall be the Worst Performing Share).

1.4 **FRA 4**

This Note Product Condition 1.4 applies if the applicable Final Terms specify "FRA 4" is applicable.

(a) **Final Redemption Amount**

The Notes will be "Cash Settled Notes and/or Physical Delivery Notes" and will be redeemed by the Issuer in accordance with paragraph (i) or (ii) below (as applicable):

- (i) if a Barrier Event has not occurred to the Share, Cash Settlement shall apply and the Notes will be redeemed by payment on the Maturity Date of the Final Redemption Amount, which shall be an amount equal to the Calculation Amount; or
- (ii) if a Barrier Event has occurred to the Share, and
 - (A) the Final Reference Price of the Share is greater than or equal to the Strike Price, Cash Settlement shall apply and the Notes will be redeemed by payment on the Maturity Date of the Final Redemption Amount, which shall be an amount equal to the Calculation Amount; or

- (B) the Final Reference Price of the Share is less than the Strike Price, Physical Settlement shall apply and the Notes will be redeemed by procuring the delivery of the Entitlement and payment of the Cash Portion (which may be zero) on the Maturity Delivery Date (all subject to and in accordance with the terms of "Annex 7 – *Additional Terms and Conditions for Physical Delivery Notes*"). No Residual Share Amount will be delivered.

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of Note Product Condition 1.4(a) (*Final Redemption Amount*) above (in addition to any other relevant defined terms set out in Note Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Barrier Event" means (and a Barrier Event shall be deemed to occur if) in respect of the Share, where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;
- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"Barrier Level" means, in respect of the Share, the amount specified in the applicable Final Terms as the "Barrier Level", or a percentage of the Initial Price of the Share specified in the applicable Final Terms as the "Barrier Level" (or both).

"Barrier Reference Value" has the meaning given in Note Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value, where "Barrier Period" is applicable or (ii) a closing value, where "Barrier Date(s)" is applicable, as specified in the applicable Final Terms.*

"Calculation Amount" means an amount specified in the applicable Final Terms.

"Cash Portion" means, in respect of the Notes, an amount (which may be zero) in the Specified Currency calculated in accordance with the following formula:

$$\text{Residual Share Amount} \times \text{Final Reference Price}$$

"Entitlement" means, in respect of the Notes, the Specified Entitlement Amount, or if the applicable Final Terms specify "Specified Entitlement Amount" to be "Not Applicable", a quantity of the Relevant Asset equal to the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the relevant Fixed Share Amount, and such quantity will be, if applicable, subject to further rounding as provided in Physical Delivery Note Condition 2 (*Delivery of Entitlement and Asset Transfer Notices*), and includes any documents evidencing such Relevant Asset.

"Final Reference Price" means, in respect of a Share, the Share Closing Price of such Share on the Final Share Valuation Date, as determined by the Calculation Agent.

"Final Share Valuation Date" means the tenth Scheduled Trading Day prior to the Maturity Date or such other number of Scheduled Trading Days prior to the Maturity Date as specified in the applicable Final Terms, and where specified as a "Valuation Date" in the applicable

Final Terms, if such day is a Disrupted Day, subject to adjustment as a "Valuation Date" in accordance with the Share Linked Conditions.

"Fixed Share Amount" means a number of shares of the Relevant Asset calculated in accordance with the following formula:

$$\frac{\text{Calculation Amount}}{\text{Strike Price}}$$

"Initial Price" means, in respect of a Share, if the applicable Final Terms specify:

- (i) "Initial Share Price" to be applicable, the Share Price of such Share on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Price" in the row corresponding to such Share;
- (ii) "Initial Share Strike Price" to be applicable, the relevant price of such Share specified in the Underlying Asset(s) Information Table in the column entitled "Initial Price" in the row corresponding to such Share;
- (iii) "Initial Share Closing Price" to be applicable, the Share Closing Price of such Share on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Price" in the row corresponding to such Share,

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Share Linked Conditions.

"Relevant Asset" means the Share.

"Residual Share Amount" means the Specified Residual Share Amount, or if the applicable Final Terms specify "Specified Residual Share Amount" to be "Not Applicable", an amount calculated in accordance with the following formula:

$$\text{Fixed Share Amount} - \text{Entitlement}$$

"Round Lot" means, in respect of a Relevant Asset, a number determined by the Calculation Agent equal to the smallest number of such Relevant Asset that can be traded on the Exchange for such Relevant Asset, as specified by the relevant Exchange.

"Specified Entitlement Amount" means a number of shares specified in the applicable Final Terms, being a number of shares determined by the Calculation Agent to be equal to the largest integer multiple of the Round Lot of the Relevant Asset equal to or less than the relevant Fixed Share Amount.

"Specified Residual Share Amount" means an amount specified as such in the applicable Final Terms.

"Strike Price" means, in respect of a Share, the amount specified in the column entitled "Strike Price" in the Underlying Asset(s) Information Table and corresponding to such Share, and if specified in the applicable Final Terms, equal (or approximately equal) to such percentage of the Initial Price of such Share as specified in the applicable Final Terms.

1.5 FRA 5

This Note Product Condition 1.5 applies if the applicable Final Terms specify "FRA 5" is applicable.

(a) **Final Redemption Amount**

The Notes will be "Cash Settled Notes" and will be redeemed by payment of the Final Redemption Amount on the Maturity Date, which shall be an amount determined in accordance with paragraph (i) or (ii) below (as applicable):

- (i) **'Single Asset' or 'Worst of Basket':** If either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms, the Final Redemption Amount shall be calculated in accordance with the following formula:

$$CA \times \left\{ \text{Min RA} + \left[P2 \times \text{Max} \left(0; \text{Min} \left[\left(\frac{\text{FRV}}{\text{IRV}} - \text{Min RA} \right); (1 - \text{Min RA}) \right] \right) \right] + \left[P1 \times \text{Max} \left[\left(\frac{\text{FRV}}{\text{IRV}} - 1 \right); 0 \right] \right] \right\}$$

Where:

"CA" means Calculation Amount.

"FRV" means Final Reference Value.

"IRV" means Initial Reference Value.

"Min RA" means Minimum Redemption Amount.

"P1" means Participation 1.

"P2" means Participation 2.

- (ii) **'Basket':** If "Basket" is specified to apply in the applicable Final Terms, the Final Redemption Amount shall be calculated in accordance with the following formula:

$$CA \times \left\{ \text{Min RA} + \left[P2 \times \text{Max}(0; \text{Min}[(\text{FBV} - \text{Min RA}); (1 - \text{Min RA})]) \right] + \left[P1 \times \text{Max}[(\text{FBV} - 1); 0] \right] \right\}$$

Where:

"CA" means Calculation Amount.

"FBV" means **"Final Basket Value"**, which is an amount calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

"Min RA" means Minimum Redemption Amount.

"P1" means Participation 1.

"P2" means Participation 2.

- (iii) **Cap:** If the applicable Final Terms specify a "Cap", the Final Redemption Amount determined in accordance with Note Product Condition 1.5(a)(i) or 1.5(a)(ii) shall not exceed the Cap.

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of Note Product Condition 1.5(a) (*Final Redemption Amount*) above (in addition to any other relevant defined terms set out in Note Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the "Assets").

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Calculation Amount" means an amount specified in the applicable Final Terms.

"Cap" means an amount specified as such in the applicable Final Terms.

"Final Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"Initial Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Initial Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Initial Value of the Final Worst Performing Asset.

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Min", followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"Minimum Redemption Amount" means an amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms.

"Participation 1" means the amount specified as such in the applicable Final Terms.

"Participation 2" means the amount specified as such in the applicable Final Terms.

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

2. **Barrier Event Conditions**

If the applicable Final Terms specify "Barrier Event" to be applicable, this Note Product Condition 2 (*Barrier Event Conditions*) shall apply for the purposes of determining a "Barrier Event":

"**Asset**" means for the purposes of this Note Product Condition 2 (*Barrier Event Conditions*), an Index or a Share, as specified in the applicable Final Terms.

"**Asset Closing Value**" means, in respect of any relevant date and:

- (a) an Index, the Index Closing Level of the Index on such date; and
- (b) a Share, the Share Closing Price of the Share on such date.

"**Asset Intraday Value**" means, in respect of a time on any day:

- (a) an Index, the Index Level of the Index at such time on such day; and
- (b) a Share, the Share Price of the Share at such time on such day.

"**Barrier Event Determination Day**" means, in respect of an Asset, if the applicable Final Terms specify:

- (a) "Barrier Period" to be applicable and specify the Barrier Reference Value to be:
 - (i) "Closing Value", a Barrier Event Determination Day (closing) and, if specified in the applicable Final Terms, each Specified Barrier Event Determination Day (closing); or
 - (ii) "Intraday Value", a Barrier Event Determination Day (intraday) and, if specified in the applicable Final Terms, each Specified Barrier Event Determination Day (intraday); or
- (b) "Barrier Date(s)" to be applicable and specify the Barrier Reference Value to be "Closing Value", each date specified as a "Specified Barrier Event Determination Day" in the applicable Final Terms.

"**Barrier Event Determination Day (closing)**" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; and (b) a Share, has the meaning given to it in the Share Linked Conditions.

"**Barrier Event Determination Day (intraday)**" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; and (b) a Share, has the meaning given to it in the Share Linked Conditions.

"**Barrier Event Valuation Time**" means, if the applicable Final Terms:

- (a) specify the Barrier Reference Value to be "Intraday Value", the Barrier Event Valuation Time (intraday); or
- (b) specify the Barrier Reference Value to be "Closing Value", the Barrier Event Valuation Time (closing).

"**Barrier Event Valuation Time (closing)**" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; and (b) a Share, has the meaning given to it in the Share Linked Conditions.

"**Barrier Event Valuation Time (intraday)**" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; and (b) a Share, has the meaning given to it in the Share Linked Conditions.

"Barrier Reference Value" means, in respect of an Asset, if the applicable Final Terms specify:

- (a) "Barrier Date(s)" to be applicable, and if "Closing Value" is specified in the applicable Final Terms, the Asset Closing Value of an Asset as of the Barrier Event Valuation Time on a Barrier Event Determination Day; or
- (b) "Barrier Period" to be applicable, and:
 - (i) if "Closing Value" is specified in the applicable Final Terms, the Asset Closing Value of an Asset as of the Barrier Event Valuation Time on any Barrier Event Determination Day during the relevant Observation Period; or
 - (ii) if "Intraday Value" is specified in the applicable Final Terms, the Asset Intraday Value of an Asset as of the Barrier Event Valuation Time on any Barrier Event Determination Day during the relevant Observation Period,

provided that if the Barrier Reference Value is specified as "Intraday Value" and:

- (A) if the Calculation Agent in its sole and absolute discretion determines that a Market Disruption Event is occurring in respect an Asset at any time on a Barrier Event Determination Day, if the applicable Final Terms specify that:
 - (1) "Market Disruption Event is not taken into account", the Calculation Agent shall disregard the period during which it determines in its sole and absolute discretion that such Market Disruption Event has occurred and is continuing for the purposes of determining whether or not a Barrier Event has occurred on such Barrier Event Determination Day; or
 - (2) "Market Disruption Event is taken into account", the Calculation Agent shall in its sole and absolute discretion determine whether or not a Barrier Event has occurred on such Barrier Event Determination Day, having regard to the then prevailing market conditions and such other factors as the Calculation Agent considers relevant.
- (B) for the purpose of determining whether a Barrier Event has occurred on any Barrier Event Determination Day in respect of an Asset which is:
 - (1) an Index, (x) the definition of Market Disruption Event specified in Index Linked Condition 3 (*Market Disruption*) shall be amended such that all references to "during the one-hour period that ends at the relevant Valuation Time" shall be deleted, and (y) each reference to "Valuation Time" and "Scheduled Closing Time" in the definition of "Early Closure" appearing in Index Linked Condition 2 (*Definitions*) shall be construed as a reference to "Barrier Event Valuation Time (intraday)";
 - (2) a Share, (x) the definition of Market Disruption Event specified in Share Linked Condition 3 (*Market Disruption*) shall be amended such that all references to "during the one-hour period that ends at the relevant Valuation Time" shall be deleted, and (y) each reference to "Valuation Time" and "Scheduled Closing Time" in the definition of "Early Closure" appearing in Share Linked Condition 2 (*Definitions*) shall be construed as a reference to "Barrier Event Valuation Time (intraday)".

"Observation Period" if specified to be applicable, means, in respect of an Asset:

- (a) if the applicable Final Terms specify the consequence of "**Extension**", each period commencing on the Observation Period Start Date, following adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset, (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, following adjustment of such date pursuant to the relevant Underlying Asset

Conditions applicable to the Asset (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms); or

- (b) if the applicable Final Terms specify the consequence of "**No Extension**", each period commencing on the Observation Period Start Date, prior to any adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, prior to any adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms).

"Observation Period End Date" means, in respect of an Asset, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of: (a) "Observation Date" if "Adjusted as an Observation Date" is specified in the applicable Final Terms in respect of such date, or (b) "Valuation Date" if "Adjusted as a Valuation Date" is specified in the applicable Final Terms in respect of such date.

"Observation Period Start Date" means, in respect of an Asset, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of: (a) "Observation Date" if "Adjusted as an Observation Date" is specified in the applicable Final Terms in respect of such date, or (b) "Valuation Date" if "Adjusted as a Valuation Date" is specified in the applicable Final Terms in respect of such date.

"Specified Barrier Event Determination Day (closing)" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; and (b) a Share, has the meaning given to it in the Share Linked Conditions.

"Specified Barrier Event Determination Day (intraday)" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; and (b) a Share, has the meaning given to it in the Share Linked Conditions.

3. **Automatic Early Redemption Conditions**

The following Note Product Conditions apply to Notes in relation to which "Automatic Early Redemption" is specified to be applicable in the applicable Final Terms.

3.1 **Automatic Early Redemption**

Unless the Notes are previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event occurs, then the Issuer will give notice to Noteholders in accordance with Note Condition 13 (*Notices*) and the Notes will be redeemed in whole, but not in part, on the Automatic Early Redemption Date at the Automatic Early Redemption Amount.

3.2 **Related Definitions**

The following terms shall have the following meanings for the purposes of this Note Product Condition 3 (*Automatic Early Redemption Conditions*) (in addition to any other relevant defined terms set out in Note Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Automatic Early Redemption Amount" means, in respect of the Notes, an amount or a percentage of the Calculation Amount as specified in the applicable Final Terms.

"Automatic Early Redemption Date" means:

- (a) if the applicable Final Terms specify:
 - (i) **"Change of Interest Basis"** as not applicable and specify the Interest Basis as:
 - (A) **"Fixed Rate"** only, each Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the Maturity Date, or

- (B) **"Share Linked"** (and/or **"GDR/ADR Linked"**) only or **"Index Linked"** only, each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date; or
- (ii) **"Change of Interest Basis"** as applicable, each Fixed Interest Payment Date and each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date and the Excluded Interest Payment Date, if any, specified in the applicable Final Terms; or
- (b) a number of Business Days as specified in the applicable Final Terms following each Automatic Early Redemption Reference Date,

in each case, as specified in the applicable Final Terms.

"Automatic Early Redemption Event" means, if the applicable Final Terms specify:

- (a) **"Automatic Early Redemption Event 1"**, in respect of each Automatic Early Redemption Reference Date (and an Automatic Early Redemption Event shall be deemed to have occurred in respect of such Automatic Early Redemption Reference Date if) the Index Closing Level of the Index on such Automatic Early Redemption Reference Date is greater than or equal to the Automatic Early Redemption Trigger, as determined by the Calculation Agent;
- (b) **"Automatic Early Redemption Event 2"**, in respect of each Automatic Early Redemption Reference Date (and an Automatic Early Redemption Event shall be deemed to have occurred in respect of such Automatic Early Redemption Reference Date if) the Share Closing Price of each Share in the Basket of Shares on such Automatic Early Redemption Reference Date is greater than or equal to the relevant Automatic Early Redemption Knock-Out Price for such Share, as determined by the Calculation Agent;
- (c) **"Automatic Early Redemption Event 3"**, in respect of each Automatic Early Redemption Reference Date (and an Automatic Early Redemption Event shall be deemed to have occurred in respect of such Automatic Early Redemption Reference Date if) the Share Closing Price of the Share on such Automatic Early Redemption Reference Date is greater than or equal to the relevant Automatic Early Redemption Trigger, as determined by the Calculation Agent.

"Automatic Early Redemption Knock-Out Price" means, in respect of:

- (a) a Share, the amount specified in the column entitled "Automatic Early Redemption Knock-Out Price" in the Underlying Asset(s) Information Table and corresponding to such Share, and if specified in the applicable Final Terms, equal (or approximately equal) to such percentage of the Initial Price of such Share as specified in the applicable Final Terms; or
- (b) a Share and each Automatic Early Redemption Reference Date, the amount specified in the column entitled "Automatic Early Redemption Knock-Out Price" of the Product Specific Information Table in the row corresponding to the Scheduled Automatic Early Redemption Reference Date on which such Automatic Early Redemption Reference Date is scheduled to fall, and if specified in the applicable Final Terms, equal (or approximately equal) to such percentage of the Initial Price of such Share as specified in the applicable Final Terms,

in each case, as specified in the applicable Final Terms.

"Automatic Early Redemption Reference Date" means:

- (a) if the applicable Final Terms specify:

- (i) **"Change of Interest Basis"** as not applicable and specify the Interest Basis as:
 - (A) **"Fixed Rate"** only, in respect of each Fixed Interest Payment Date (if any) other than the Fixed Interest Payment Date falling on the Maturity Date, the tenth Scheduled Trading Day or tenth Common Scheduled Trading Day prior to such Fixed Interest Payment Date (or such other number of Scheduled Trading Days or Common Scheduled Trading Days prior to each Fixed Interest Payment Date other than the Fixed Interest Payment Date falling on the Maturity Date specified in the applicable Final Terms);
 - (B) **"Share Linked"** (and/or **"GDR/ADR Linked"**) only or **"Index Linked"** only, in respect of each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date, the tenth Scheduled Trading Day or tenth Common Scheduled Trading Day prior to such Underlying Asset Linked Interest Payment Date (or such other number of Scheduled Trading Days or Common Scheduled Trading Days prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date specified in the applicable Final Terms);
- (ii) **"Change of Interest Basis"** as applicable, in respect of:
 - (A) each Fixed Interest Payment Date other than the Excluded Interest Payment Date, if any, specified in the applicable Final Terms, the tenth Scheduled Trading Day or tenth Common Scheduled Trading Day prior to such Fixed Interest Payment Date (or such other number of Scheduled Trading Days or Common Scheduled Trading Days prior to each Fixed Interest Payment Date specified in the applicable Final Terms other than the Excluded Interest Payment Date, if any, specified in the applicable Final Terms);
 - (B) each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date, the tenth Scheduled Trading Day or the tenth Common Scheduled Trading Day prior to such Underlying Asset Linked Interest Payment Date (or such other number of Scheduled Trading Days or Common Scheduled Trading Days prior to each Underlying Asset Linked Interest Payment Date other than the Underlying Asset Linked Interest Payment Date falling on the Maturity Date specified in the applicable Final Terms); or
- (b) each date specified in the column entitled "Scheduled Automatic Early Redemption Reference Date" in the Product Specific Information Table in the applicable Final Terms, or if no Product Specific Information Table is set out in the applicable Final Terms, each date specified as such,

in each case, as specified in the applicable Final Terms, and where specified as an "Observation Date" or a "Valuation Date" in the applicable Final Terms, if such date is a Disrupted Day for an Index or a Share (as applicable), such date will be subject to adjustment as an "Observation Date" or a "Valuation Date" (as the case may be) in accordance with the:

- (A) Index Linked Conditions if the Automatic Early Redemption Event specified in the applicable Final Terms is Automatic Early Redemption Event 1; or
- (B) Share Linked Conditions if the Automatic Early Redemption Event specified in the applicable Final Terms is Automatic Early Redemption Event 2 or Automatic Early Redemption Event 3.

If specified in the applicable Final Terms, the first Automatic Early Redemption Reference Date is scheduled to fall on the date specified in the applicable Final Terms as the First Scheduled Automatic Early Redemption Reference Date.

"Automatic Early Redemption Trigger" means, in respect of a Share or an Index (as applicable) and each Automatic Early Redemption Reference Date, the amount specified as such in the applicable Final Terms in respect of such Share or Index (as applicable), being equal (or approximately equal) to a percentage of the Initial Price of such Share or the Initial Level of such Index, as specified in the applicable Final Terms.

"Business Day" has the meaning assigned to it in Note Condition 17 (*Business Days*).

"Calculation Amount" means an amount specified in the applicable Final Terms.

"Excluded Interest Payment Date(s)" means a Fixed Interest Payment Date scheduled to fall on the date specified as an "Excluded Interest Payment Date" in the applicable Final Terms.

"First Scheduled Automatic Early Redemption Reference Date" means the date specified as such in the applicable Final Terms.

"Fixed Interest Payment Date" has the meaning given in Note Product Condition 4 (*Interest Conditions*).

"Initial Level" means, in respect of an Index, if the applicable Final Terms specify:

- (i) "Initial Index Level" to be applicable, the Index Level of such Index on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Level" in the row corresponding to such Index; or
- (ii) "Initial Index Strike Level" to be applicable, the relevant level of such Index specified in the Underlying Asset(s) Information Table in the column entitled "Initial Level" in the row corresponding to such Index; or
- (iii) "Initial Index Closing Level" to be applicable, the Index Closing Level of such Index on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Level" in the row corresponding to such Index,

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Index Linked Conditions.

"Initial Price" means, in respect of a Share, if the applicable Final Terms specify:

- (i) "Initial Share Price" to be applicable, the Share Price of such Share on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Price" in the row corresponding to such Share;
- (ii) "Initial Share Strike Price" to be applicable, the relevant price of such Share specified in the Underlying Asset(s) Information Table in the column entitled "Initial Price" in the row corresponding to such Share;
- (iii) "Initial Share Closing Price" to be applicable, the Share Closing Price of such Share on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Price" in the row corresponding to such Share,

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Share Linked Conditions.

"Product Specific Information Table" means a table specified in the applicable Final Terms.

"Scheduled Automatic Early Redemption Reference Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Automatic Early Redemption Reference Date.

"Underlying Asset Linked Interest Payment Date" has the meaning given in Note Product Condition 4.11 (*Related Definitions*).

"Underlying Asset(s) Information Table" has the meaning given to it in Note Product Condition 5 (*Other Definitions*).

4. **Interest Conditions**

4.1 **Interest on Fixed Rate Notes**

This Note Product Condition applies to Notes where the applicable Final Terms specify that **"Fixed Rate Notes"** are applicable.

(a) **Fixed Coupon Amount and Broken Amount**

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest and the amount of interest payable in respect of each Fixed Rate Note on each Fixed Interest Payment Date for:

- (i) each Fixed Interest Period ending on (but excluding) the Scheduled Fixed Interest Payment Date on which such Fixed Interest Payment Date is scheduled to fall, shall be the **"Fixed Coupon Amount"** or
- (ii) any period other than the Fixed Interest Period shall be the **"Broken Amount"**,

in each case, if specified in the applicable Final Terms in relation to such Fixed Interest Payment Date.

(b) **Calculation of interest**

If no Fixed Coupon Amount or no Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such product by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

4.2 **Business Day Convention**

If a **"Business Day Convention"** is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) the **"Floating Rate Convention"**, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) shall apply mutatis mutandis or (ii) in the case of (y) above, shall be

postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (b) the "**Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (c) the "**Modified Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (d) the "**Preceding Business Day Convention**", such Interest Payment Date shall be brought forward to the immediately preceding Business Day,

where "**Business Day**" has the meaning assigned to it in Note Condition 17 (*Business Days*), provided that if the applicable Final Terms specify "No Adjustment", such Interest Payment Date shall not be adjusted in accordance with any Business Day Convention.

4.3 **Interest on Floating Rate Notes**

This Note Product Condition applies to Notes where the applicable Final Terms specify that "Floating Rate Notes" are applicable.

The Rate of Interest in respect of Floating Rate Notes will be determined in accordance with the following provisions which are specified in the applicable Final Terms to be the manner in which the Rate of Interest is to be determined.

(a) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub paragraph (a), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is either (A) if the applicable Floating Rate Option is based on LIBOR or on EURIBOR, the first day of that Interest Period or (B) if the applicable Floating Rate Option is based on a Floating Rate Option other than LIBOR or EURIBOR, such other date as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (a), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(b) Screen Rate Determination for Floating Rate Notes

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

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

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

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

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the interbank market that is most closely connected with the Reference Rate specified in the applicable Final Terms (which, if the Reference Rate is LIBOR, shall be the London inter-bank market or if the Reference Rate is EURIBOR shall be 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 offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market that is most closely connected with the Reference Rate specified in the applicable Final Terms (which, if the Reference Rate is LIBOR, shall be the London inter-bank market or if the Reference Rate is EURIBOR shall be the Euro-zone inter-bank market), 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 by the Calculation Agent in good faith and in a commercially reasonable manner.

(c) Related Definitions

The following terms shall have the following meanings for the purposes of this Note Product Condition 4.3 (*Interest on Floating Rate Notes*) (in addition to any other relevant defined terms set out in Note Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Dollar LIBOR" means London inter-bank offered rate for deposits in U.S. dollars.

"EURIBOR" means the Euro-zone inter-bank offered rate for deposits in euro.

"HIBOR" means the Hong Kong inter-bank offered rate for deposits in Hong Kong dollars.

"Interest Determination Date" means the date specified as such in the applicable Final Terms.

"JIBAR" means the Johannesburg inter-bank agreed rate for deposits in South African Rand.

"LIBOR" means the London inter-bank offered rate for deposits in Sterling.

"Margin" means the margin specified as such in the applicable Final Terms

"Reference Banks" means four major banks selected by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate specified in the applicable Final Terms (which, if the Reference Rate is LIBOR, shall be the London inter-bank market or if the Reference Rate is EURIBOR shall be the Euro-zone inter-bank market).

"Reference Rate" means the JIBAR, LIBOR, HIBOR, EURIBOR, STIBOR, SIBOR, TIBOR or Dollar LIBOR, as specified in the applicable Final Terms and determined in accordance with this Condition.

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with Screen Rate Determination on an Interest Determination Date, the financial centre specified as such in the applicable Final Terms or, if none is so specified, the principal financial centre with which the relevant Reference Rate is most closely connected (which, if the Specified Currency is sterling, shall be London, or if the Specified Currency is euro, shall be the Euro-zone).

"Relevant Screen Page" means the Bloomberg or Reuters screen page specified as such in the applicable Final Terms.

"SIBOR" means Singapore inter-bank offered rate for deposits in Singapore dollars.

"Specified Time" means, in respect of any Interest Determination Date and the Reference Rate specified as (i) LIBOR, 11.00 a.m. London time, (ii) EURIBOR, JIBAR, SIBOR, TIBOR, STIBOR, HIBOR or Dollar LIBOR, 11.00 a.m. in the Relevant Financial Centre, or such other time specified as such in the applicable Final Terms.

"STIBOR" means the Stockholm inter-bank offered rate for deposits in Swedish Krona.

"TIBOR" means the Tokyo inter-bank offered rate for deposits in Japanese Yen.

(d) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Note Product Condition 4.4 (*Interest on Underlying Asset Linked Interest Notes*) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Note Product Condition 4.4 (*Interest on Underlying Asset Linked Interest*

Notes) is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) **Interest Period**

Each Floating Rate Note bears interest at the Rate of Interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear in respect of each Interest Period on, if the applicable Final Terms specifies an Interest Period is:

- (i) **"Unadjusted"**, the Interest Payment Date scheduled to fall on the Scheduled Interest Payment Date on which such Interest Period ends (but which is not included in such Interest Period); or
- (ii) **"Adjusted"**, the Interest Payment Date on which such Interest Period ends (but which is not included in such Interest Period).

4.4 **Interest on Underlying Asset Linked Interest Notes**

The Rate of Interest and Interest Amount in respect of Underlying Asset Linked Interest Notes will be determined in accordance with such of the following provisions as are specified to be applicable in the applicable Final Terms.

(a) **Interest 1**

If **"Interest 1"** is specified to be applicable, in respect of each Underlying Asset Linked Interest Payment Date, the Rate of Interest applicable to each Underlying Asset Linked Interest Period ending on (but excluding) the Scheduled Interest Payment Date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

- (i) if the Index Closing Level of the Index on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike, the Specified Rate of Interest A and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with Note Product Condition 4.7 (*Calculation of Interest Amounts*), unless the applicable Final Terms specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of the Notes shall be the Specified Interest Amount A; or
- (ii) if the Index Closing Level of the Index on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike, the Specified Rate of Interest B and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with Note Product Condition 4.7 (*Calculation of Interest Amounts*), unless the applicable Final Terms specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of the Notes shall be the Specified Interest Amount B.

(b) **Interest 2**

If **"Interest 2"** is specified to be applicable, in respect of each Underlying Asset Linked Interest Payment Date, the Rate of Interest applicable to each Underlying Asset Linked Interest Period ending on (but excluding) the Scheduled Interest Payment Date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be:

- (i) if the Share Closing Price of the Share on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike, the Specified Rate of Interest A and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with Note Product Condition 4.7 (*Calculation of Interest Amounts*), unless the applicable Final Terms specify an Interest Amount, in which case

the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of the Notes shall be the Specified Interest Amount A; or

- (ii) if the Share Closing Price of the Share on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike, the Specified Rate of Interest B and, and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with Note Product Condition 4.7 (*Calculation of Interest Amounts*), unless the applicable Final Terms specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of the Notes shall be the Specified Interest Amount B.

(c) **Interest 3**

If "**Interest 3**" is specified to be applicable, in respect of each Underlying Asset Linked Interest Payment Date, the Rate of Interest applicable to each Underlying Asset Linked Interest Period ending on (but excluding) the Scheduled Interest Payment Date falling on the date on which such Underlying Asset Linked Interest Payment Date is scheduled to fall shall be, if the Calculation Agent determines:

- (i) the Share Closing Price of each Share in the Basket of Shares on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is equal to or greater than the Coupon Strike for such Share, the Specified Rate of Interest A and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with Note Product Condition 4.7 (*Calculation of Interest Amounts*), unless the applicable Final Terms specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of the Notes shall be the Specified Interest Amount A; or
- (ii) the Share Closing Price of any Share in the Basket of Shares on the Interest Valuation Date immediately preceding such Underlying Asset Linked Interest Payment Date is less than the Coupon Strike for such Share, the Specified Rate of Interest B and, the amount of interest payable on the relevant Underlying Asset Linked Interest Payment Date shall be determined in accordance with Note Product Condition 4.7 (*Calculation of Interest Amounts*), unless the applicable Final Terms specify an Interest Amount, in which case the Interest Amount payable on such Underlying Asset Linked Interest Payment Date in respect of the Notes shall be the Specified Interest Amount B.

(d) **Specified Interest Amount A and Specified Interest Amount B**

The Specified Interest Amount A and the Specified Interest Amount B shall be deemed to be an "**Interest Amount**" calculated in accordance with Note Product Condition 4.7 (*Calculation of Interest Amounts*) below. If there is any inconsistency between: (i) the amount specified in the applicable Final Terms as the Specified Interest Amount A or the Specified Interest Amount B, and (ii) any amount resulting from any calculation made in accordance with Note Product Condition 4.7 (*Calculation of Interest Amounts*) below, the amount specified in the applicable Final Terms as the Specified Interest Amount A and Specified Interest Amount B shall prevail.

(e) **Interest 4**

- (i) If "**Interest 4**" is specified to be applicable, in respect of each Underlying Asset Linked Interest Payment Date, the Interest Amount payable in respect of each Note shall be an amount in the Specified Currency calculated by the Calculation Agent in accordance with the following formula:

$$CA \times \text{Max} \left\{ CF; \left[\left(\frac{\text{Coupon Participation}}{\text{Coupon Divisor}} \right) \times (AP(IVD) - CS) \right] \right\}$$

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. Note Product Condition 4.7 shall not apply.

- (ii) **Coupon Cap:** If the applicable Final Terms specify a "Coupon Cap", the Interest Amount determined in accordance with Note Product Condition 4.4(e)(i) shall not exceed the Coupon Cap.
- (iii) **Related Definitions:** The following terms shall have the following meanings for the purposes of Note Product Condition 4(e) (*Interest 4*) above (in addition to any other relevant defined terms set out in Note Product Conditions 4.11 (*Related Definitions*) and 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"AP(IVD)" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, in respect of the Asset and an Underlying Asset Linked Interest Payment Date and the immediately preceding Interest Valuation Date, an amount calculated by dividing (a) the Asset Closing Value of such Asset on such Interest Valuation Date, by (b) the Initial Value of such Asset; or
- (ii) "Asset Basket" to be applicable, in respect of the Asset Basket and an Underlying Asset Linked Interest Payment Date and the immediately preceding Interest Valuation Date, an amount calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{ACV(IVD)}_{(i)}}{\text{Initial Value}_{(i)}}$$

Where:

"ACV(IVD)_(i)" means, in respect of Asset_(i) and an Underlying Asset Linked Interest Payment Date and the immediately preceding Interest Valuation Date, the Asset Closing Value of Asset_(i) on such Interest Valuation Date.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the "Assets").

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each as specified in the applicable Final Terms.

"Asset_(i)" means each Asset in an Asset Basket.

"CA" means the Calculation Amount.

"CF" means an amount specified as such in the applicable Final Terms.

"Coupon Cap" means an amount specified as such in the applicable Final Terms.

"Coupon Divisor" means, in respect of an Underlying Asset Linked Interest Payment Date and the immediately preceding Interest Valuation Date, the amount set forth in the Product Specific Information Table in the column entitled "Coupon Divisor" in the row corresponding to the date (specified in the column entitled "Scheduled Interest Payment Date") on which such Underlying Asset Linked Interest Payment Date is scheduled to fall.

"Coupon Participation" means an amount specified as such in the applicable Final Terms.

"CS" means an amount specified as such in the applicable Final Terms.

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

4.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid and/or all assets deliverable in respect of such Note have been delivered; and
- (b) five calendar days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent and/or all assets in respect of such Note have been received by any agent appointed by the Issuer to deliver such assets to Noteholders and notice to that effect has been given to the Noteholders in accordance with Note Condition 13 (*Notices*).

4.6 Change of Interest Basis

If the applicable Final Terms specify the "Change of Interest Basis" to be applicable, in respect of:

- (a) each Interest Basis A Payment Date, the Rate of Interest applicable to each Interest Period which ends on (but excludes) the Scheduled Fixed Interest Payment Date on which such Interest Basis A Payment Date is scheduled to fall shall be determined in accordance with the relevant Interest Basis Provisions for Interest Basis A, and
- (b) each Interest Basis B Payment Date, the Rate of Interest applicable to each Interest Period which ends on (but excludes) the Scheduled Interest Payment Date on which such Interest Basis B Payment Date is scheduled to fall shall be determined in accordance with the relevant Interest Basis Provisions for Interest Basis B.

4.7 Calculation of Interest Amounts

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Underlying Asset 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 for the relevant Interest Period. In the case of Underlying Asset Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Underlying Asset Linked Interest Notes, will calculate the Interest Amount payable on the Notes for the relevant Interest Period by applying the Rate of Interest to:

- (a) in the case of Floating Rate Notes and Underlying Asset Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (b) in the case of Floating Rate Notes and Underlying Asset Linked Interest Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such product 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 or Underlying Asset Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest

Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. In such case, the Calculation Agent will notify the Principal Paying Agent of the Interest Amount for the relevant Interest Period as soon as practicable after calculating the same.

4.8 **Notification of Rate of Interest and Interest Amounts**

The Principal Paying 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 or Underlying Asset Linked Interest Notes are for the time being listed (by no later than the first day of each Interest Period, in the case of Floating Rate Notes) and notice thereof to be published in accordance with Note Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Underlying Asset Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Note Condition 13 (*Notices*).

For the purposes of this Note Product Condition, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

4.9 **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 Note Product Condition 4 (*Interest Conditions*), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents, the Registrar and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.10 **Calculation of interest in Swedish Notes**

For the purposes of calculation of any amount of interest on Swedish Notes, the provisions in this Note Product Condition 4 (*Interest Conditions*) shall be amended so that all periods shall consist of the period from (but excluding) the first day of the relevant period up to (and including) the last day of the relevant period.

4.11 **Related Definitions**

The following terms shall have the following meanings for the purposes of this Note Product Condition 4 (*Interest Conditions*) (in addition to any other relevant defined terms set out in Note Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Accrual Interest Period" means the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date.

"Automatic Early Redemption Event" has the meaning given in Note Product Condition 3 (*Automatic Early Redemption Conditions*).

"Broken Amount(s)" means, in respect of Notes and each Interest Payment Date, an amount per Calculation Amount of Notes specified in the applicable Final Terms in relation to such Interest Payment Date.

"Coupon Strike" means, in respect of a Share or an Index (as applicable), the level or price specified in the column entitled "Coupon Strike" in the Underlying Asset(s) Information Table and corresponding to such Asset, and if specified in the applicable Final Terms, equal (or approximately equal) to such percentage of the Initial Price of such Share or the Initial Level of such Index, as specified in the applicable Final Terms.

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in the Conditions or the applicable Final Terms and:

- (a) if **"Actual/Actual (ICMA)"** is specified in the applicable Final Terms:
 - (i) where the Accrual Interest Period is equal to or shorter than the Determination Period during which the Accrual Interest Period ends, the number of days in such Accrual Interest Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) where the Accrual Interest Period is longer than the Determination Period during which the Accrual Interest Period ends, the sum of:
 - (A) the number of days in such Accrual Interest Period falling in the Determination Period in which the Accrual Interest Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Interest Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if **"Actual/Actual (ISDA)"** or **"Actual/Actual"** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (d) if **"Actual/365 (Sterling)"** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if **"Actual/360"** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (f) if **"30/360 (ICMA)"** is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (g) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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 of 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 of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 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;

- (h) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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 of 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 of 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; or

- (i) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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 of 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 of 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.

"**Determination Date**" means the date specified as such in the applicable Final Terms.

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"**First Scheduled Interest Valuation Date**" means the date specified as such in the applicable Final Terms.

"**Fixed Coupon Amount(s)**" means, in respect of Notes and each Fixed Interest Payment Date, an amount per Calculation Amount of Notes specified in the applicable Final Terms in relation to such Fixed Interest Payment Date.

"**Fixed Interest Payment Date**" means each Scheduled Fixed Interest Payment Date, and each adjusted in accordance with the Business Day Convention as specified in accordance with Note Product Condition 4.2 (*Business Day Convention*).

"**Fixed Interest Period**" means (a) the period commencing on, and including, a Scheduled Fixed Interest Payment Date (or the Interest Commencement Date) and ending on, but excluding, the next (or first) Scheduled Fixed Interest Payment Date and (b) each successive period commencing on, and including, a Scheduled Fixed Interest Payment Date and ending on, but excluding, the next following Scheduled Fixed Interest Payment Date.

"**Floating Rate Interest Payment Date**" means:

- (a) each date in each year specified in the applicable Final Terms (the "**Specified Interest Payment Date(s)**") and each adjusted in accordance with the Business Day Convention as specified in accordance with Note Product Condition 4 (*Interest Conditions*); or
- (b) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms and a number of months or other period is specified as the "**Specified Period**" in the applicable Final Terms, each date determined in accordance with the Floating Rate Convention which falls at such Specified Period after the preceding Floating Rate Interest Payment Date or, in the case of the first Floating Rate Interest Payment Date, after the Interest Commencement Date.

"**Floating Rate Interest Period**" means an Interest Period in respect of Floating Rate Notes.

"Interest Amount" means an amount of interest payable on the Notes for the relevant Interest Period determined in accordance with Note Product Condition 4 (*Interest Conditions*).

"Interest Basis A" means, in respect of a Change of Interest Basis, Fixed Rate.

"Interest Basis A Commencement Date" means, if the applicable Final Terms specify "Change of Interest Basis" to be applicable, in respect of Interest Basis A, the Issue Date, the Interest Commencement Date or such other date specified as such in the applicable Final Terms.

"Interest Basis A Payment Date" means each Interest Payment Date falling in the period commencing on, but excluding, the Interest Commencement Date and ending on, and including, the Interest Payment Date scheduled to fall on the Underlying Asset Linked Interest Commencement Date.

"Interest Basis B" means Index Linked, Share Linked or GDR/ADR Linked, as specified in the applicable Final Terms.

"Interest Basis B Commencement Date" means, if the applicable Final Terms specify "Change of Interest Basis" to be applicable, in respect of Interest Basis B, the Underlying Asset Linked Interest Commencement Date.

"Interest Basis B Payment Date" means each Underlying Asset Linked Interest Payment Date falling after the Underlying Asset Linked Interest Commencement Date.

"Interest Basis Provisions" means, if an Interest Basis is specified in the applicable Final Terms to be:

- (a) Fixed Rate, the provisions applicable to Fixed Rate Notes;
- (b) Floating Rate, the provisions applicable to Floating Rate Notes; or
- (c) any Index Linked Interest, Share Linked Interest or GDR/ADR Linked Interest, the provisions applicable to Index Linked Interest Notes, Share Linked Interest Notes or GDR/ADR Linked Interest Notes respectively, as the case may be.

"Interest Commencement Date" means, if the applicable Final Terms specify "Change of Interest Basis":

- (a) to be not applicable, the Issue Date or such other date specified as such in the applicable Final Terms; or
- (b) to be applicable, in respect of:
 - (i) Interest Basis A, the Interest Basis A Commencement Date, and
 - (ii) Interest Basis B, the Interest Basis B Commencement Date.

"Interest Payment Date" means in respect of:

- (a) Fixed Rate Notes, each Fixed Interest Payment Date; or
- (b) Floating Rate Notes, each Floating Rate Interest Payment Date; or
- (c) Underlying Asset Linked Notes, each Underlying Asset Linked Interest Payment Date,

provided that (i) if the Notes are redeemed on an Interest Payment Date as a result of an Automatic Early Redemption Event occurring, or otherwise, such Interest Payment Date shall be the final Interest Payment Date for the Notes, and (ii) any Interest Payment Date falling after the date on which the Notes are redeemed shall not be an Interest Payment Date.

"Interest Period" means, in respect of:

- (a) Fixed Rate Notes, each Fixed Interest Period;
- (b) Floating Rate Notes, the period commencing on, and including, an Interest Payment Date (or the Interest Commencement Date) and ending on, but excluding, the next (or first) Interest Payment Date) and, if the applicable Final Terms specifies that the Interest Periods, or particular Interest Periods shall be:
 - (i) **"Adjusted"**, then each Interest Period shall commence on or end on, as the case may be, the relevant Interest Payment Date after all applicable adjustments to such Interest Payment Date pursuant to the Conditions, or
 - (ii) **"Unadjusted"**, then each Interest Period shall commence on or end on, as the case may be, the date on which the relevant Interest Payment Date is scheduled to fall, disregarding all applicable adjustments to such Interest Payment Date pursuant to the Conditions; or
- (c) Underlying Asset Linked Interest Notes, each Underlying Asset Linked Interest Period.

"Interest Valuation Date" means, in respect of an Asset, either:

- (a) each Valuation Date, Observation Date or other date(s) (or any combination of the foregoing); or
- (b) the tenth Scheduled Trading Day (or in respect of Notes linked to a Fund Interest, the tenth Fund Specified Date) prior to each Underlying Asset Linked Interest Payment Date, the tenth Common Scheduled Trading Day prior to each Underlying Asset Linked Interest Payment Date, or such other number of Scheduled Trading Days, Common Scheduled Trading Days or Fund Specified Dates prior to each Underlying Asset Linked Interest Payment Date specified in the applicable Final Terms

in each case specified as an "Interest Valuation Date" in the applicable Final Terms, and where specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, such date will be subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with:

- (i) the Index Linked Conditions if the Notes are Index Linked Interest Notes;
- (ii) the Share Linked Conditions if the Notes are Share Linked Interest Notes; or
- (iii) Fund Linked Condition 7 (Definitions (*Exchange Traded Funds*)) if the Notes are linked to one or more Fund Shares; or
- (iv) Fund Linked Condition 4 (*Fund Events*) if the Notes are linked to one or more Fund Interests.

If specified in the applicable Final Terms, the first Interest Valuation Date is scheduled to fall on the date specified in the applicable Final Terms as the First Scheduled Interest Valuation Date.

"Rate(s) of Interest" means, in respect of each Interest Period, the rate of interest specified in the applicable Final Terms or determined in accordance with the relevant Product Conditions.

"Scheduled Fixed Interest Payment Date" means each date specified as such in the applicable Final Terms.

"Scheduled Interest Payment Date" means each date specified as such in the applicable Final Terms.

"Specified Interest Amount A" means the amount specified as such in the applicable Final Terms.

"Specified Interest Amount B" means the amount specified as such in the applicable Final Terms.

"Specified Rate of Interest A" means the percentage rate per annum specified as such in the applicable Final Terms.

"Specified Rate of Interest B" means the percentage rate per annum specified as such in the applicable Final Terms.

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

"Underlying Asset Linked Interest Commencement Date" means the date specified as such in the applicable Final Terms.

"Underlying Asset Linked Interest Notes" means Index Linked Interest Notes, Share Linked Interest Notes, GDR/ADR Linked Interest Notes and Fund Linked Notes (each as defined in the Note Conditions).

"Underlying Asset Linked Interest Payment Date" means each Scheduled Interest Payment Date falling after the Underlying Asset Linked Interest Commencement Date, and each adjusted in accordance with the Business Day Convention as specified in accordance with Note Product Condition 4.2 (*Business Day Convention*), provided that the final Underlying Asset Linked Interest Payment Date shall be the Underlying Asset Linked Interest Payment Date immediately following the Interest Valuation Date (if any) on which an Automatic Early Redemption Event has occurred.

"Underlying Asset Linked Interest Period" means the period commencing on, and including, the Underlying Asset Linked Interest Commencement Date and ending on, but excluding, the Scheduled Interest Payment Date corresponding to the first Underlying Asset Linked Interest Payment Date, and (ii) each successive period commencing on, and including, a Scheduled Interest Payment Date and ending on, but excluding, the next following Scheduled Interest Payment Date.

"Underlying Asset Linked Instruments" means Index Linked Instruments, Share Linked Instruments, GDR/ADR Linked Instruments or Fund Linked Instruments.

5. Other Definitions

For the purposes of these Note Product Conditions, the following terms have the following meanings:

"Asset Closing Value" means, in respect of any relevant date and:

- (a) an Index, the Index Closing Level of the Index on such date;
- (b) a Share, the Share Closing Price of the Share on such date;
- (c) a Fund Share, the Fund Share Closing Price of the Fund Share on such date; and
- (d) a Fund Interest, the Relevant Price of the Fund Interest on such date.

"Averaging Date" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);
- (d) a Fund Interest, has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*); and

- (e) a Hybrid Asset, has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

"Base Currency" means the currency specified as such in the applicable Final Terms.

"Basket of Funds" has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*) or Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*) (as applicable).

"Basket of Hybrid Assets" has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

"Basket of Indices" has the meaning given to it in Index Linked Condition 2 (*Definitions*).

"Basket of Shares" has the meaning given to it in Share Linked Condition 2 (*Definitions*);

"Business Day" has the meaning given to it in Note Condition 17 (*Business Days*).

"Common Scheduled Trading Day" in respect of:

- (a) a Basket of Indices, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Basket of Shares, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Basket of Funds, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*); and
- (d) a Basket of Hybrid Assets, a Common Trading Day as defined in Hybrid Basket Linked Condition 2 (*Definitions*).

"Currency Price" means, in respect of each Subject Currency, an amount equal to the FX Specified Price appearing on the FX Price Source at or around the FX Valuation Time on the relevant date for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged).

"Disrupted Day" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"ETF" has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Exchange" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Exchange Rate" means, if the applicable Final Terms specify:

- (a) **"Currency Price"** to be applicable, in respect of any relevant day, the Currency Price, provided that if the Currency Price is not published on the FX Price Source at

or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of the Exchange Rate, taking into consideration all available information as it in good faith deems relevant; or

- (b) **"Derived Exchange Rate"** to be applicable, in respect of any relevant day and each Subject Currency, an amount equal to the spot rate of exchange for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged), calculated as the quotient of (i) the Reference Currency/Subject Currency Price in respect of such day, divided by (ii) the Reference Currency/Base Currency Price in respect of such day, in each case, in respect of such day (and the amount resulting from such calculation will be rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards (or such other number of decimal places as specified in the applicable Final Terms)); or
- (c) **"Specified Rate"** to be applicable, in respect of any relevant day, as an amount equal to the (i) spot rate of exchange, or (ii) bid rate of exchange, or (iii) mid rate of exchange, or (iv) offer rate of exchange, as specified in the applicable Final Terms, appearing on the FX Price Source at or around the FX Valuation Time on such day (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged (such rate, the **"Specified Rate"**), provided that if the Specified Rate is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of the Specified Rate, taking into consideration all available information as it in good faith deems relevant.

"Final Average Value" means, in respect of an Asset, the arithmetic mean of the Asset Closing Value of such Asset in respect of each Final Averaging Date, as determined by the Calculation Agent and subject to adjustment in accordance with the relevant Underlying Asset Conditions applicable to such Asset.

"Final Averaging Date" means, in respect of an Asset, each date specified in the applicable Final Terms as a Final Averaging Date, and where specified as an "Averaging Date" in the applicable Final Terms, subject to adjustment as an Averaging Date in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the Note Product Conditions, as applicable.

"Final Closing Value" means, in respect of:

- (a) an Index, the Index Closing Level of such Index on the Final Reference Date, as determined by the Calculation Agent and subject to adjustment in accordance with the Index Linked Conditions;
- (b) a Share, the Share Closing Price of such Share on the Final Reference Date, as determined by the Calculation Agent and subject to adjustment in accordance with the Share Linked Conditions;
- (c) a Fund Share, the Fund Share Closing Price of such Fund Share on the Final Reference Date, as determined by the Calculation Agent and subject to adjustment in accordance with the Fund Linked Conditions;
- (d) a Fund Interest, the Relevant Price of such Fund Interest on the Final Reference Date, as determined by the Calculation Agent and subject to adjustment in accordance with the Fund Linked Conditions.

"Final Reference Date" means, in respect of an Asset, (a) a Valuation Date, (b) an Observation Date, or (c) any other date, in each case, specified as a "Final Reference Date" in the applicable Final Terms, and in the case of (c), if such date is specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, such date will be subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the Note Product Conditions, as applicable.

"Fund Interest" has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*).

"Fund Share" has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Fund Share Closing Price" has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Fund Share Price" has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"FX Price Source(s)" means, in respect of a Currency Price or Specified Rate, the price source(s) specified in the applicable Final Terms for such Currency Price or Specified Rate, or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"FX Specified Price" means any of the following prices (which must be a price published or announced by, or capable of being determined from information published or announced by, the relevant FX Price Source(s)) specified as such in the applicable Final Terms, being: (a) the spot rate of exchange, (b) the bid rate of exchange, (c) the mid rate of exchange or (d) the offer rate of exchange.

"FX Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Hybrid Asset" means each Share, Index, Fund Share or Fund Interest comprised in a Basket of Hybrid Assets (and collectively, the **"Hybrid Assets"**).

"Initial Average Value" means, in respect of an Asset, the arithmetic mean of the Asset Closing Value of such Asset in respect of each Initial Averaging Date, as determined by the Calculation Agent and subject to adjustment in accordance with the relevant Underlying Asset Conditions applicable to such Asset.

"Initial Averaging Date" means, in respect of an Asset, each date specified in the applicable Final Terms as an Initial Averaging Date, and where specified as an "Averaging Date" in the applicable Final Terms, subject to adjustment as an Averaging Date in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the Note Product Conditions, as applicable.

"Index" has the meaning given to it in Index Linked Condition 2 (*Definitions*).

"Index Closing Level" has the meaning given to it in the Index Linked Condition 2 (*Definitions*).

"Index Level" has the meaning given to it in the Index Linked Condition 2 (*Definitions*).

"Initial Closing Value" means, in respect of an Asset which is:

- (a) an Index, if the applicable Final Terms specify "Initial Index Closing Level" to be applicable, the Index Closing Level of such Index on the Strike Date, as determined by the Calculation Agent and subject to adjustment in accordance with the Index Linked Conditions;
- (b) a Share, if the applicable Final Terms specify "Initial Share Closing Price" to be applicable, the Share Closing Price of such Share on the Strike Date, as determined by the Calculation Agent and subject to adjustment in accordance with the Share Linked Conditions;
- (c) a Fund Share, if the applicable Final Terms specify "Initial Fund Share Closing Price" to be applicable, the Fund Share Closing Price of such Fund Share on the Strike Date,

as determined by the Calculation Agent and subject to adjustment in accordance with the Fund Linked Conditions;

- (d) a Fund Interest, if the applicable Final Terms specify "Initial Relevant Price" to be applicable, the Relevant Price of such Fund Interest on the Strike Date, as determined by the Calculation Agent and subject to adjustment in accordance with the Fund Linked Conditions,

and in each case, if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Asset.

"Initial Strike Value" means, in respect of an Asset which is:

- (a) an Index, if the applicable Final Terms specify:
 - (i) "Initial Index Level" to be applicable, the Index Level of such Index on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Index;
 - (ii) "Initial Index Strike Level" to be applicable, the relevant level of such Index specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Index;

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Index Linked Conditions;

- (b) a Share, if the applicable Final Terms specify:
 - (i) "Initial Share Price" to be applicable, the Share Price of such Share on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Share;
 - (ii) "Initial Share Strike Price" to be applicable, the relevant price of such Share specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Share,

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Share Linked Conditions;

- (c) a Fund Share, if the applicable Final Terms specify:
 - (i) "Initial Fund Share Price" to be applicable, the Fund Share Price of such Fund Share on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Fund Share;
 - (ii) "Initial Fund Share Strike Price" to be applicable, the relevant price of such Fund Share specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Fund Share,

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Fund Linked Conditions.

- (d) a Fund Interest, the relevant price of such Fund Interest specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Fund Interest.

"Maturity Date" means, in respect of Notes, the Scheduled Maturity Date, and where the applicable Final Terms specifies "Scheduled Maturity Date is Business Day Adjusted", then if

the Scheduled Maturity Date is not a Business Day, the Scheduled Maturity Date shall be adjusted in accordance with the Maturity Business Day Convention specified in the applicable Final Terms and subject to any further adjustment in accordance with Note Condition 5(D) (*Payment Day*).

"Maturity Delivery Date" has the meaning given to it in "Annex 7 – *Additional Terms and Conditions for Physical Delivery Notes*".

"Observation Date" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);
- (d) a Fund Interest, has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*); and
- (e) a Hybrid Asset, has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

"RC/BC Price Source" means, in respect of a Reference Currency/Base Currency Price, the price source(s) specified in the applicable Final Terms for such Reference Currency/Base Currency Price, or if the relevant rate is not published or announced by such RC/BC Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"RC/BC Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"RC/SC Price Source" means, in respect of a Reference Currency/Subject Currency Price, the price source(s) specified in the applicable Final Terms for such Reference Currency/Subject Currency Price, or if the relevant rate is not published or announced by such RC/SC Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"RC/SC Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Reference Currency" means the currency specified as such in the applicable Final Terms.

"Reference Currency/Base Currency Price" means, in respect of each Base Currency, an amount equal to the spot rate of exchange appearing on the RC/BC Price Source at the RC/BC Valuation Time on the relevant day for the exchange of such Base Currency into the Reference Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the RC/BC Price Source at the RC/BC Valuation Time on such day, the Calculation Agent shall determine the Reference Currency/Base Currency Price, taking into consideration all available information as it in good faith deems relevant. The "Reference Currency/Base Currency Price" shall be deemed to be a "Currency Price" for the purposes of these Note Product Conditions.

"Reference Currency/Subject Currency Price" means, in respect of each Subject Currency, an amount equal to the spot rate of exchange appearing on the RC/SC Price Source at the RC/SC Valuation Time on the relevant day for the exchange of such Subject Currency into the Reference Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the RC/SC Price Source at the RC/SC Valuation Time on such day, the Calculation Agent shall determine the Reference Currency/Subject Currency Price, taking into consideration all available information as it in good faith deems relevant. The "Reference

Currency/Subject Currency Price" shall be deemed to be a "Currency Price" for the purposes of these Note Product Conditions.

"Relevant Price" has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*).

"Scheduled Maturity Date" means the date specified as such in the applicable Final Terms.

"Scheduled Trading Day" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Share" has the meaning given to it in Share Linked Condition 2 (*Definitions*).

"Share Closing Price" has the meaning given to it in the Share Linked Condition 2 (*Definitions*).

"Share Price" has the meaning given to it in the Share Linked Condition 2 (*Definitions*).

"Specified Currency" means the currency specified as such in the applicable Final Terms.

"Strike Date" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);
- (d) a Fund Interest, has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*); and
- (e) a Hybrid Asset, has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

"Subject Currency" means the currency specified as such in the applicable Final Terms.

"Trade Date" means the date specified as such in the applicable Final Terms, provided that if "Following Business Day Adjustment" is specified in the applicable Final Terms and such day is not a Business Day, the Trade Date shall be the immediately succeeding Business Day after such day.

"Underlying Asset Conditions" has the meaning given to it in the Note Conditions.

"Underlying Asset(s) Information Table" means the table set out under "Specific Information relating to the Underlying Asset(s)" in the applicable Final Terms.

"Valuation Date" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);

- (d) A Fund Interest, has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*); and
- (e) a Hybrid Asset, has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

6. **Rounding**

Any Cash Portion calculated in accordance with these Note Product Conditions will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Specified Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards.

Any Fixed Share Amount and any Fixed Fund Share Amount calculated in accordance with these Note Product Conditions will be rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards.

Part 2

W&C Instruments Product Conditions

The following Part 2 of the Product Conditions (the "**W&C Instruments Product Conditions**") shall apply to W&C Instruments to the extent specified to apply in the applicable Final Terms.

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1. Determination of Cash Settlement Amount

The Cash Settlement Amount shall be an amount in the Settlement Currency determined in accordance with such of the following provisions as are specified to be applicable in the applicable Final Terms:

1.1 CSA 1

This W&C Instruments Product Condition 1.1 applies if the applicable Final Terms specify that "CSA 1" is applicable.

(a) Cash Settlement Amount

(i) **'Single Asset' or 'Worst of Basket'**: This W&C Instruments Product Condition 1.1(a)(i) applies where either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms:

(A) If a Barrier Event has not occurred, the Cash Settlement Amount shall be:

Reference Amount; or

(B) If a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Initial Reference Value}}$$

- (ii) **'Basket'**: This W&C Instruments Product Condition 1.1(a)(ii) applies where "Basket" is specified to apply in the applicable Final Terms:

(A) If a Barrier Event has not occurred, the Cash Settlement Amount shall be:

Reference Amount; or

(B) If a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

- (iii) **Cap**: If the applicable Final Terms specify a "Cap", the Cash Settlement Amount calculated in accordance with W&C Instruments Product Condition 1.1(a)(i)(B) or 1.1(a)(ii)(B) shall not exceed the Cap.

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.1(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Asset" means an Index, a Share, a Fund Share or a Fund Interest as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Barrier Event" means (and a Barrier Event shall be deemed to occur if), where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;
- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"Barrier Level" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Level in respect of an Asset may be (i) an amount or a percentage of its Initial Value (where the Barrier Reference Value is a closing, an averaged or an intraday value), or (ii) an amount expressed as a percentage or decimal (where the Barrier Reference Value is a basket, an asset performance or worst of basket value), and each as specified in the applicable Final Terms.*

"Barrier Reference Value" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value (where "Barrier Period" is applicable), or (ii) any of a closing, an averaged, a basket, an asset performance or a worst of basket value,*

depending on the Asset(s) (where "Barrier Date(s)" is applicable) and as specified in the applicable Final Terms.

"**Cap**" means an amount specified as such in the applicable Final Terms.

"**Final Reference Value**" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"**Final Value**" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"**Final Value_(i)**" means the Final Value of Asset_(i).

"**Final Worst Performing Asset**" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"**Initial Reference Value**" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Initial Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Initial Value of the Final Worst Performing Asset.

"**Initial Value**" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"**Initial Value_(i)**" means the Initial Value of Asset_(i).

"**Reference Amount**" means an amount specified in the applicable Final Terms.

"**Weight_(i)**" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.2 CSA 2

This W&C Instruments Product Condition 1.2 applies if the applicable Final Terms specify that "CSA 2" is applicable.

(a) Cash Settlement Amount

- (i) If a Barrier Event has not occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} + (\text{Reference Amount} \times T \times \text{Additional Percentage} \times \text{FX})$$

- (ii) If a Barrier Event has occurred, the Cash Settlement Amount shall be:

Reference Amount

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.2(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Additional Percentage" means the amount, expressed as a percentage, specified as such in the applicable Final Terms.

"Barrier Event" means (and a Barrier Event shall be deemed to occur if), where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;
- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"Barrier Level" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Level in respect of an Asset may be (i) an amount or a percentage of its Initial Value (where the Barrier Reference Value is a closing, an averaged or an intraday value), or (ii) an amount expressed as a percentage or decimal (where the Barrier Reference Value is a basket, an asset performance or worst of basket value), and each as specified in the applicable Final Terms.*

"Barrier Reference Value" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value (where "Barrier Period" is applicable), or (ii) any of a closing, an averaged, a basket, an asset performance or a worst of basket value, depending on the Asset(s) (where "Barrier Date(s)" is applicable) and as specified in the applicable Final Terms.*

"FX" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial, or if the applicable Final Terms specify "FX" to be not applicable, then "FX" shall be deemed to have a value of one (1).

"Reference Amount" means an amount specified in the applicable Final Terms.

"T" means a value specified as such in the applicable Final Terms.

1.3 CSA 3

This W&C Instruments Product Condition 1.3 applies if the applicable Final Terms specify that "CSA 3" is applicable.

(a) **Cash Settlement Amount**

- (i) **'Single Asset' or 'Worst of Basket':** This W&C Instruments Product Condition 1.3(a)(i) applies where either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms:

- (A) If a Trigger Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

Reference Amount + (Reference Amount $\times$ T $\times$ Additional Percentage); or

- (B) If a Trigger Event has not occurred, and:

- (1) if a Barrier Event has not occurred, the Cash Settlement Amount shall be:

Reference Amount; or

- (2) if a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Initial Reference Value}}$$

provided that if the applicable Final Terms specify a "**Cap**", the Cash Settlement Amount calculated in accordance with the above formula shall not exceed the Cap.

- (ii) **'Basket':** This W&C Instruments Product Condition 1.3(a)(ii) applies where "Basket" is specified to apply in the applicable Final Terms:

- (A) If a Trigger Event has occurred, the Cash Settlement Amount shall be an amount calculated in accordance with the following formula:

Reference Amount + (Reference Amount $\times$ T $\times$ Additional Percentage); or

- (B) If a Trigger Event has not occurred, and:

- (1) if a Barrier Event has not occurred, the Cash Settlement Amount shall be:

Reference Amount; or

- (2) if a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \text{Final Basket Value}$$

provided that if the applicable Final Terms specify a "**Cap**", the Cash Settlement Amount calculated in accordance with the above formula shall not exceed the Cap.

Where "**Final Basket Value**" means an amount calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.3(a) (*Cash Settlement Amount*) above (in addition to any other relevant

defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Additional Percentage" means the amount, expressed as a percentage, specified as such in the applicable Final Terms.

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Barrier Event" means (and a Barrier Event shall be deemed to occur if), where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;
- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"Barrier Level" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Level in respect of an Asset may be (i) an amount or a percentage of its Initial Value (where the Barrier Reference Value is a closing, an averaged or an intraday value), or (ii) an amount expressed as a percentage or decimal (where the Barrier Reference Value is a basket, an asset performance or worst of basket value), and each as specified in the applicable Final Terms.*

"Barrier Reference Value" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value (where "Barrier Period" is applicable), or (ii) any of a closing, an averaged, a basket, an asset performance or a worst of basket value, depending on the Asset(s) (where "Barrier Date(s)" is applicable) and as specified in the applicable Final Terms.*

"Basket Strike Value" means an amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms.

"Cap" means an amount specified as such in the applicable Final Terms.

"Final Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or

- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"Initial Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Initial Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Initial Value of the Final Worst Performing Asset.

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Reference Amount" means an amount specified in the applicable Final Terms.

"Reference Asset" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Worst Performing Asset.

"Strike Amount" means, in respect of an Asset, the amount specified in the applicable Final Terms as the "Strike Amount" corresponding to the Asset, or a percentage of the Initial Value of the Asset specified in the applicable Final Terms as the "Strike Amount" corresponding to the Asset (or both).

"T" means a value specified as such in the applicable Final Terms.

"Trigger Event" means (and a Trigger Event shall be deemed to occur if) the applicable Final Terms specify:

- (i) "Single Asset" or "Worst of Basket" to be applicable, the Final Reference Value of the Reference Asset is, where the applicable Final Terms specify as applicable:
 - (A) "less than or equal to Strike Amount", less than or equal to the Strike Amount of the Reference Asset;
 - (B) "greater than or equal to Strike Amount", greater than or equal to the Strike Amount of the Reference Asset;
 - (C) "less than Strike Amount", less than the Strike Amount of the Reference Asset; or
 - (D) "greater than Strike Amount", greater than the Strike Amount of the Reference Asset,

all as determined by the Calculation Agent;

- (ii) "Basket" to be applicable, the Final Basket Value is, where the applicable Final Terms specify as applicable:

- (A) "less than or equal to Basket Strike Value", less than or equal to the Basket Strike Value;
- (B) "greater than or equal to Basket Strike Value", greater than or equal to the Basket Strike Value;
- (C) "less than Basket Strike Value", less than the Basket Strike Value; or
- (D) "greater than Basket Strike Value", greater than the Basket Strike Value,

all as determined by the Calculation Agent.

"**Weight_(i)**" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.4 CSA 4

This W&C Instruments Product Condition 1.4 applies if the applicable Final Terms specify that "CSA 4" is applicable.

(a) Cash Settlement Amount

The Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} + \left\{ \text{Reference Amount} \times \text{FX} \times \text{Max} \left[0; \left(\text{Participation} \times \sum_{i=1}^n \text{Weight}_{(i)} \times \left[\frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}} - \text{Strike} \right] \right) \right] \right\}$$

(b) Related Definitions

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.4(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"**Asset**" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the "**Assets**").

"**Asset_(i)**" means each Asset in an Asset Basket.

"**Asset Basket**" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"**Final Value**" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"**Final Value_(i)**" means the Final Value of Asset_(i).

"**FX**" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial, or if the applicable Final Terms specify "FX" to be not applicable, then "FX" shall be deemed to have a value of one (1).

"**Initial Value**" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"**Initial Value_(i)**" means the Initial Value of Asset_(i).

"**Max**" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"**Participation**" means the amount specified as such in the applicable Final Terms (which may be expressed as a percentage or decimal).

"**Reference Amount**" means an amount specified in the applicable Final Terms.

"**Strike**" means an amount specified in the applicable Final Terms.

"**Weight_(i)**" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.5 CSA 5

This W&C Instruments Product Condition 1.5 applies if the applicable Final Terms specify that "CSA 5" is applicable.

(a) Cash Settlement Amount

The Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} + \{\text{Reference Amount} \times \text{Max}[0; \text{Participation} \times (\text{Basket Performance} - 1 - \text{OTM})]\}$$

Where "**Basket Performance**" means an amount calculated in accordance with the following formula:

$$\text{Basket Weight} \times \{\text{Aggregate N Lowest Performances} + [v \times (1 + C)]\} \times \text{FX}$$

(b) Related Definitions

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.5(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"**Aggregate N Lowest Performances**" means the aggregate of the N lowest Final Performances out of the Final Performances for the total number of Assets in the Asset Basket, where the "Final Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) and "N" is a positive integer specified in the applicable Final Terms). For the avoidance of doubt, two or more of such Final Performances may have the same value.

"**Asset**" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the "**Assets**").

"**Asset_(i)**" means each Asset in an Asset Basket.

"**Asset Basket**" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"**Basket Weight**" means the amount specified as such in the applicable Final Terms.

"**C**" means an amount specified in the applicable Final Terms.

"**Final Value**" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"**FX**" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial, or if the applicable Final Terms specify "FX" to be not applicable, then "FX" shall be deemed to have a value of one (1).

"**Initial Value**" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"**Max**" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"**OTM**" means the "**Out Of The Money Level**", being the amount specified as such in the applicable Final Terms.

"**Participation**" means the amount specified as such in the applicable Final Terms (which may be expressed as a percentage or decimal).

"**Reference Amount**" means the amount specified as such in the applicable Final Terms.

"**v**" means the value specified as such in the applicable Final Terms.

1.6 CSA 6

This W&C Instruments Product Condition 1.6 applies if the applicable Final Terms specify that "CSA 6" is applicable.

(a) Cash Settlement Amount

The Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} + \{\text{Reference Amount} \times \text{Max}[0; \text{Participation} \times (\text{Basket Performance} - 1 - [\text{AAP} \times N_{\text{AAPD}}])]\}$$

Where "**Basket Performance**" means an amount calculated in accordance with the following formula:

$$\text{Basket Weight} \times \{\text{Aggregate N Lowest Performances} + [v \times (1 + C)]\} \times \text{FX}$$

(b) Related Definitions

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.6(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"**AAP**" means "**Additional Amount Percentage**", being the amount, expressed as a percentage, specified as such in the applicable Final Terms.

"**Aggregate N Lowest Performances**" means the aggregate of the N lowest Final Performances out of the Final Performances for the total number of Assets in the Asset Basket, where the "Final Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) and "N" is a positive integer specified in the applicable Final Terms). For the avoidance of doubt, two or more of such Final Performances may have the same value.

"**Asset**" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the "**Assets**").

"**Asset_(i)**" means each Asset in an Asset Basket.

"**Asset Basket**" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Basket Weight" means the amount specified as such in the applicable Final Terms.

"C" means an amount specified in the applicable Final Terms.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"FX" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial, or if the applicable Final Terms specify "FX" to be not applicable, then "FX" shall be deemed to have a value of one (1).

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"N_{AAPD}" means the total number of Additional Amount Payment Dates (as defined in W&C Instruments Product Condition 4 (*Additional Amounts Conditions*)) specified in the applicable Final Terms or such other amount specified in the applicable Final Terms.

"Participation" means the amount specified as such in the applicable Final Terms (which may be expressed as a percentage or decimal).

"Reference Amount" means the amount specified as such in the applicable Final Terms.

"v" means the value specified as such in the applicable Final Terms.

1.7 CSA 7

This W&C Instruments Product Condition 1.7 applies if the applicable Final Terms specify that "CSA 7" is applicable.

(a) Cash Settlement Amount

- (i) **'Single Asset' or 'Worst of Basket':** This W&C Instruments Product Condition 1.7(a)(i) applies where either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms:

- (A) If the Final Reference Value of the Reference Asset is greater than or equal to the Initial Reference Value of the Reference Asset, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} + \left\{ \text{Reference Amount} \times \left[\text{Participation} \times \left(\frac{\text{Final Reference Value}}{\text{Initial Reference Value}} - 1 \right) \right] \right\}$$

provided that if the applicable Final Terms specify a **"Cap"**, the Cash Settlement Amount calculated in accordance with the above formula shall not exceed the Cap.

- (B) where the applicable Final Terms specify:

- (1) "Knockout Event" to be not applicable, if the Final Reference Value of the Reference Asset is less than the Initial Reference Value of the Reference Asset, and:

- (a) if a Barrier Event has not occurred, the Cash Settlement Amount shall be:

Reference Amount;

- (b) if a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Initial Reference Value}}$$

- (2) "Knockout Event" to be applicable, if the Final Reference Value of the Reference Asset is less than the Initial Reference Value of the Reference Asset, and:

- (a) if a Knockout Event has occurred, the Cash Settlement Amount shall be:

Reference Amount;

- (b) if a Knockout Event has not occurred and if a Barrier Event has not occurred, the Cash Settlement Amount shall be:

Reference Amount;

- (c) if a Knockout Event has not occurred and if a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Initial Reference Value}}$$

- (ii) **'Basket':** This W&C Instruments Product Condition 1.7(a)(ii) applies where "Basket" is specified to apply in the applicable Final Terms:

- (A) If the Final Basket Value is greater than or equal to the Basket Strike Value, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} + \{\text{Reference Amount} \times [\text{Participation} \times (\text{Final Basket Value} - 1)]\}$$

provided that if the applicable Final Terms specify a "**Cap**", the Cash Settlement Amount calculated in accordance with the above formula shall not exceed the Cap.

- (B) where the applicable Final Terms specify:

- (1) "Knockout Event" to be not applicable, if the Final Basket Value is less than the Basket Strike Value, and:

- (a) if a Barrier Event has not occurred, the Cash Settlement Amount shall be:

Reference Amount; or

- (b) if a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \text{Final Basket Value}$$

- (2) "Knockout Event" to be applicable, if the Final Basket Value is less than the Basket Strike Value, and:

- (a) if a Knockout Event has occurred, the Cash Settlement Amount shall be:

Reference Amount;

- (b) if a Knockout Event has not occurred and if a Barrier Event has not occurred, the Cash Settlement Amount shall be:

Reference Amount;

- (c) if a Knockout Event has not occurred and if a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

Reference Amount $\times$ Final Basket Value

Where "**Final Basket Value**" means an amount calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.7(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"**Asset**" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the "**Assets**").

"**Asset_(i)**" means each Asset in an Asset Basket.

"**Asset Basket**" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"**Asset Closing Value_(i)**" means the Asset Closing Value of Asset_(i) in respect of a Knockout Reference Date.

"**Barrier Event**" means (and a Barrier Event shall be deemed to occur if), where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;
- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"**Barrier Level**" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Level in respect of an Asset may be (i) an amount or a percentage of its Initial Value (where the Barrier Reference Value is a closing, an averaged or an intraday value), or (ii) an amount expressed as a percentage or decimal (where the Barrier Reference Value is a basket, an asset*

performance or worst of basket value), and each as specified in the applicable Final Terms.

"Barrier Reference Value" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value (where "Barrier Period" is applicable), or (ii) any of a closing, an averaged, a basket, an asset performance or a worst of basket value, depending on the Asset(s) (where "Barrier Date(s)" is applicable) and as specified in the applicable Final Terms.*

"Basket Strike Value" means an amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms.

"Basket Value" means, in respect of an Asset Basket and each Knockout Reference Date, an amount calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Asset Closing Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

"Cap" means a value specified in the applicable Final Terms.

"Final Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"Initial Basket Strike Value" means an amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms.

"Initial Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Initial Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Initial Value of the Final Worst Performing Asset.

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Knockout Event" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, in respect of any Knockout Reference Date (and a Knockout Event shall be deemed to occur in respect of such Knockout Reference Date if the Calculation Agent determines that), the Asset Closing Value of the Asset in respect of such Knockout Reference Date is greater than or equal to the Initial Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, in respect of any Knockout Reference Date (and a Knockout Event shall be deemed to occur in respect of such Knockout Reference Date if the Calculation Agent determines that), the Asset Closing Value of each Asset in respect of such Knockout Reference Date is greater than or equal to the Initial Value of such Asset; or
- (iii) "Basket" to be applicable, in respect of any Knockout Reference Date (and a Knockout Event shall be deemed to occur in respect of such Knockout Reference Date if the Calculation Agent determines that) the Basket Value in respect of such Knockout Reference Date is greater than or equal to the Initial Basket Strike Value,

all as determined by the Calculation Agent.

"Knockout Reference Date" means, in respect of an Asset, each date specified as such in the applicable Final Terms, and where specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Participation" means the amount specified as such in the applicable Final Terms (which may be expressed as a percentage or decimal).

"Reference Amount" means the amount specified as such in the applicable Final Terms.

"Reference Asset" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Worst Performing Asset.

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.8 CSA 8

This W&C Instruments Product Condition 1.8 applies if the applicable Final Terms specify that "CSA 8" is applicable.

(a) Cash Settlement Amount

- (i) **'Single Asset' or 'Worst of Basket':** This W&C Instruments Product Condition 1.8(a)(i) applies where either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms:

- (A) If the Final Reference Value of the Reference Asset is greater than or equal to the Put Reference Value, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times (100\% + v)$$

- (B) If the Final Reference Value of the Reference Asset is less than the Put Reference Value, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times (100\% + v) \times \frac{\text{Final Reference Value}}{\text{Put Reference Value}}$$

- (ii) **'Basket':** This W&C Instruments Product Condition 1.8(a)(ii) applies where "Basket" is specified to apply in the applicable Final Terms:

- (A) If the Final Basket Put Value is greater than or equal to the Basket Put Value, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times (100\% + v)$$

- (B) If the Final Basket Put Value is less than the Basket Put Value, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times (100\% + v) \times \text{Final Basket Put Value}$$

Where **"Final Basket Put Value"** means an amount calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Put Value}_{(i)}}$$

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.8(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Basket Put Value" means the amount specified as such in the applicable Final Terms (which may be expressed as a percentage or decimal).

"Final Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the

Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Put Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Put Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Put Value of the Final Worst Performing Asset.

"Put Value" means, in respect of an Asset, the amount specified in the applicable Final Terms as the "Put Value" corresponding to the Asset, or a percentage of the Initial Value of the Asset specified in the applicable Final Terms as the "Put Value" corresponding to the Asset (or both).

"Put Value_(i)" means the Put Value of Asset_(i).

"Reference Amount" means an amount specified in the applicable Final Terms.

"Reference Asset" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Worst Performing Asset.

"v" means the value specified as such in the applicable Final Terms.

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.9 CSA 9

This W&C Instruments Product Condition 1.9 applies if the applicable Final Terms specify that "CSA 9" is applicable.

(a) Cash Settlement Amount

- (i) **'Single Asset':** If "Single Asset" is specified to apply in the applicable Final Terms, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \frac{\text{Final Value}}{\text{Initial Value}} \times \left(1 - \left[\text{Annual Adjustment Factor} \times \frac{\text{Days (t)}}{365} \right] \right) \times \text{FX}$$

- (ii) **'Basket':** If "Basket" is specified to apply in the applicable Final Terms, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \text{Final Basket Value} \times \left(1 - \left[\text{Annual Adjustment Factor} \times \frac{\text{Days (t)}}{365} \right] \right) \times \text{FX}$$

Where **"Final Basket Value"** means an amount calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.9(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Annual Adjustment Factor" means an amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms, which may have a value less than or equal to zero.

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Days (t)" means the number of calendar days in the period commencing from, and including, the Strike Date, and ending on, but excluding, the Period End Date.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

(i) Final Closing Value; or

(ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"FX" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial, or if the applicable Final Terms specify "FX" to be not applicable, then "FX" shall be deemed to have a value of one (1).

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Period End Date" means each date specified as such in the applicable Final Terms, and where specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Reference Amount" means an amount specified in the applicable Final Terms.

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.10 CSA 10

This W&C Instruments Product Condition 1.10 applies if the applicable Final Terms specify that "CSA 10" is applicable.

(a) **Cash Settlement Amount**

- (i) **'Single Asset' or 'Worst of Basket':** If either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$RA \times \left\{ \text{Min CSA} + \left[P2 \times \text{Max} \left(0; \text{Min} \left[\left(\frac{FRV}{IRV} - \text{Min CSA} \right); (1 - \text{Min CSA}) \right] \right) \right] + \left[P1 \times \text{Max} \left[\left(\frac{FRV}{IRV} - 1 \right); 0 \right] \right] \right\}$$

Where:

"**FRV**" means Final Reference Value.

"**IRV**" means Initial Reference Value.

"**Min CSA**" means Minimum Cash Settlement Amount.

"**P1**" means Participation 1.

"**P2**" means Participation 2.

"**RA**" means Reference Amount.

- (ii) **'Basket':** If "Basket" is specified to apply in the applicable Final Terms, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$RA \times \left\{ \text{Min CSA} + \left[P2 \times \text{Max} (0; \text{Min}[(\text{FBV} - \text{Min CSA}); (1 - \text{Min CSA})]) \right] + \left[P1 \times \text{Max}[(\text{FBV} - 1); 0] \right] \right\}$$

Where:

"**FBV**" means "**Final Basket Value**", which is an amount calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

"**Min CSA**" means Minimum Cash Settlement Amount.

"**P1**" means Participation 1.

"**P2**" means Participation 2.

"**RA**" means Reference Amount.

- (iii) **Cap:** If the applicable Final Terms specify a "**Cap**", the Cash Settlement Amount determined in accordance with W&C Instruments Product Condition 1.10(a)(i) or 1.10(a)(ii) shall not exceed the Cap.

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.10(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"**Asset**" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the "**Assets**").

"**Asset_(i)**" means each Asset in an Asset Basket.

"**Asset Basket**" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Cap" means an amount specified as such in the applicable Final Terms.

"Final Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"Initial Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Initial Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Initial Value of the Final Worst Performing Asset.

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Min", followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"Minimum Cash Settlement Amount" means the amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms.

"Participation 1" means the amount specified as such in the applicable Final Terms.

"Participation 2" means the amount specified as such in the applicable Final Terms.

"Reference Amount" means the amount specified as such in the applicable Final Terms.

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.11 CSA 11

This W&C Instruments Product Condition 1.11 applies if the applicable Final Terms specify that "CSA 11" is applicable.

(a) **Cash Settlement Amount**

- (i) **'Single Asset' or 'Worst of Basket':** If either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Max}[(\text{Final Reference Value} - \text{Strike Amount}); 0]$$

- (ii) **'Basket':** If "Basket" is specified to apply in the applicable Final Terms, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \text{Max} \left\{ \left[\sum_{i=1}^n \left(\text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}} \right) - \text{Basket Strike Value} \right]; 0 \right\}$$

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.11(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Basket Strike Value" means an amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms.

"Final Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"**Max**" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"**Reference Amount**" means the amount specified as such in the applicable Final Terms.

"**Strike Amount**" means, in respect of an Asset, the amount specified in the applicable Final Terms as the "Strike Amount" corresponding to the Asset, or a percentage of the Initial Value of the Asset specified in the applicable Final Terms as the "Strike Amount" corresponding to the Asset (or both).

"**Weight_(i)**" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.12 CSA 12

This W&C Instruments Product Condition 1.12 applies if the applicable Final Terms specify that "CSA 12" is applicable.

(a) Cash Settlement Amount

- (i) '**Single Asset**' or '**Best of Basket**': If either "Single Asset" or "Best of Basket" is specified to apply in the applicable Final Terms, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Max}[(\text{Strike Amount} - \text{Final Reference Value}); 0]$$

- (ii) '**Basket**': If "Basket" is specified to apply in the applicable Final Terms, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \text{Max} \left\{ \left[\text{Basket Strike Value} - \sum_{i=1}^n \left(\text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}} \right) \right]; 0 \right\}$$

(b) Related Definitions

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.12(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"**Asset**" means an Index, a Share, a Fund Share or Fund Interest, as specified in the applicable Final Terms (collectively, the "**Assets**").

"**Asset_(i)**" means each Asset in an Asset Basket.

"**Asset Basket**" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"**Basket Strike Value**" means an amount (which may be expressed as a percentage) specified as such in the applicable Final Terms.

"**Final Best Performing Asset**" means, the Asset in the Asset Basket with the higher or highest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same highest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Best Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Best Performing Asset).

"**Final Reference Value**" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Best of Basket" to be applicable, the Final Value of the Final Best Performing Asset.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Reference Amount" means the amount specified as such in the applicable Final Terms.

"Strike Amount" means, in respect of an Asset, the amount specified in the applicable Final Terms as the "Strike Amount" corresponding to the Asset, or a percentage of the Initial Value of the Asset specified in the applicable Final Terms as the "Strike Amount" corresponding to the Asset (or both).

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.13 CSA 13

This W&C Instruments Product Condition 1.13 applies if the applicable Final Terms specify that "CSA 13" is applicable.

(a) Cash Settlement Amount

- (i) **'Single Asset' or 'Worst of Basket':** If either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \left\{ \text{Protection} + \left[\text{FX} \times \text{Participation} \times \text{Max} \left(0; \left[\frac{\text{Final Reference Value}}{\text{Initial Reference Value}} - \text{Strike} \right] \right) \right] \right\}$$

- (ii) **'Basket':** If "Basket" is specified to apply in the applicable Final Terms, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \left\{ \text{Protection} + \left[\text{FX} \times \text{Participation} \times \text{Max} \left(0; \sum_{i=1}^n \text{Weight}_{(i)} \times \left(\frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}} - \text{Strike} \right) \right) \right] \right\}$$

(b) Related Definitions

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.13(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Final Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"FX" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial, or if the applicable Final Terms specify "FX" to be not applicable, then "FX" shall be deemed to have a value of one (1).

"Initial Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Initial Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Initial Value of the Final Worst Performing Asset.

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Participation" means the amount specified as such in the applicable Final Terms (which may be expressed as a percentage or decimal).

"Protection" means the amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms).

"Reference Amount" means an amount specified in the applicable Final Terms.

"Strike" means an amount specified in the applicable Final Terms.

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.14 CSA 14

This W&C Instruments Product Condition 1.14 applies if the applicable Final Terms specify that "CSA 14" is applicable.

(a) **Cash Settlement Amount**

- (i) **'Single Asset' or 'Worst of Basket'**: This W&C Instruments Product Condition 1.14(a)(i) applies where either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms:

(A) If a Barrier Event has not occurred, the Cash Settlement Amount shall be:

Reference Amount; or

(B) If a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Put Reference Value}}$$

- (ii) **'Basket'**: This W&C Instruments Product Condition 1.14(a)(ii) applies where "Basket" is specified to apply in the applicable Final Terms:

(A) If a Barrier Event has not occurred, the Cash Settlement Amount shall be:

Reference Amount; or

(B) If a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Put Value}_{(i)}}$$

- (iii) **Cap**: If the applicable Final Terms specify a "**Cap**", the Cash Settlement Amount determined in accordance with W&C Instruments Product Condition 1.14(a)(i)(B) or 1.14(a)(ii)(B) shall not exceed the Cap.

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.14(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Barrier Event" means (and a Barrier Event shall be deemed to occur if), where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;

- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"Barrier Level" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Level in respect of an Asset may be (i) an amount or a percentage of its Initial Value (where the Barrier Reference Value is a closing, an averaged or an intraday value), or (ii) an amount expressed as a percentage or decimal (where the Barrier Reference Value is a basket, an asset performance or worst of basket value), and each as specified in the applicable Final Terms.*

"Barrier Reference Value" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value (where "Barrier Period" is applicable), or (ii) any of a closing, an averaged, a basket, an asset performance or a worst of basket value, depending on the Asset(s) (where "Barrier Date(s)" is applicable) and as specified in the applicable Final Terms.*

"Cap" means an amount specified as such in the applicable Final Terms.

"Final Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Put Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Put Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Put Value of the Final Worst Performing Asset.

"Put Value" means, in respect of an Asset, the amount specified in the applicable Final Terms as the "Put Value" corresponding to the Asset, or a percentage of the Initial Value of the Asset specified in the applicable Final Terms as the "Put Value" corresponding to the Asset (or both).

"Put Value_(i)" means the Put Value of Asset_(i).

"Reference Amount" means an amount specified in the applicable Final Terms.

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.15 CSA 15

This W&C Instruments Product Condition 1.15 applies if the applicable Final Terms specify that "CSA 15" is applicable.

(a) Cash Settlement Amount

(i) **'Single Asset' or 'Worst of Basket'**: This W&C Instruments Product Condition 1.15(a)(i) applies where either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms:

(A) If the Final Reference Performance of the Reference Asset is greater than or equal to the Final Threshold, the Cash Settlement Amount shall be:

zero;

(B) If the Final Reference Performance of the Reference Asset is less than the Final Threshold, and:

(1) if a Barrier Event has not occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

Reference Amount × Cushion Amount

(2) if a Barrier Event has occurred, the Cash Settlement Amount shall be:

zero.

(ii) **'Basket'**: This W&C Instruments Product Condition 1.15(a)(ii) applies where "Basket" is specified to apply in the applicable Final Terms:

(A) If the Final Basket Value is greater than or equal to the Final Threshold, the Cash Settlement Amount shall be:

zero;

(B) If the Final Basket Value is less than the Final Threshold, and:

(1) if a Barrier Event has not occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

Reference Amount × Cushion Amount

(2) if a Barrier Event has occurred, the Cash Settlement Amount shall be:

zero.

Where **"Final Basket Value"** means an amount calculated in accordance with the following formula:

$$\sum_{i=1}^n Weight_{(i)} \times \frac{Final Value_{(i)}}{Initial Value_{(i)}}$$

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.15(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Barrier Event" means (and a Barrier Event shall be deemed to occur if), where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;
- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"Barrier Level" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Level in respect of an Asset may be (i) an amount or a percentage of its Initial Value (where the Barrier Reference Value is a closing, an averaged or an intraday value), or (ii) an amount expressed as a percentage or decimal (where the Barrier Reference Value is a basket, an asset performance or worst of basket value), and each as specified in the applicable Final Terms.*

"Barrier Reference Value" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value (where "Barrier Period" is applicable), or (ii) any of a closing, an averaged, a basket, an asset performance or a worst of basket value, depending on the Asset(s) (where "Barrier Date(s)" is applicable) and as specified in the applicable Final Terms.*

"Cushion Amount" means an amount (expressed as a percentage or decimal) as specified in the applicable Final Terms.

"Final Reference Performance" means, in respect of an Asset, an amount calculated as follows:

$$\frac{\text{Final Reference Value}}{\text{Initial Reference Value}}$$

"Final Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"Final Threshold" means an amount (expressed as a percentage or decimal) as specified in the applicable Final Terms.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"Initial Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Initial Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Initial Value of the Final Worst Performing Asset.

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Reference Amount" means an amount specified in the applicable Final Terms.

"Reference Asset" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Worst Performing Asset.

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.16 CSA 16

This W&C Instruments Product Condition 1.16 applies if the applicable Final Terms specify that "CSA 16" is applicable.

(a) Cash Settlement Amount

- (i) **'Single Asset' or 'Worst of Basket':** This W&C Instruments Product Condition 1.16(a)(i) applies where either "Single Asset" or "Worst of Basket" is specified to apply in the applicable Final Terms:

(A) If a Barrier Event has not occurred and:

- (1) if the Call Return is greater than or equal to the Call Return Threshold, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$RA + (RA \times AP) + \{RA \times \text{Max}[0; \text{Participation} \times (\text{Call Return} - AP)] \times \text{FX}\}$; or

- (2) if the Call Return is less than the Call Return Threshold, the Cash Settlement Amount shall be:

Reference Amount

- (B) If a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \frac{\text{Final Reference Value}}{\text{Initial Reference Value}}$$

- (ii) **'Basket'**: This W&C Instruments Product Condition 1.16(a)(ii) applies where "Basket" is specified to apply in the applicable Final Terms:

- (A) If a Barrier Event has not occurred and:

- (1) if the Call Return is greater than or equal to the Call Return Threshold, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$RA + (RA \times AP) + \{RA \times \text{Max}[0; \text{Participation} \times (\text{Call Return} - AP)] \times \text{FX}\}$; or

- (2) if the Call Return is less than the Call Return Threshold, the Cash Settlement Amount shall be:

Reference Amount

- (B) If a Barrier Event has occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Final Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

(b) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.16(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"AP" means **"Additional Percentage"**, which is the amount, expressed as a percentage, specified as such in the applicable Final Terms.

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Barrier Event" means (and a Barrier Event shall be deemed to occur if), where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;

- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"Barrier Level" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Level in respect of an Asset may be (i) an amount or a percentage of its Initial Value (where the Barrier Reference Value is a closing, an averaged or an intraday value), or (ii) an amount expressed as a percentage or decimal (where the Barrier Reference Value is a basket, an asset performance or worst of basket value), and each as specified in the applicable Final Terms.*

"Barrier Reference Value" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value (where "Barrier Period" is applicable), or (ii) any of a closing, an averaged, a basket, an asset performance or a worst of basket value, depending on the Asset(s) (where "Barrier Date(s)" is applicable) and as specified in the applicable Final Terms.*

"Call Return" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, an amount calculated in accordance with the following formula:

$$\text{Max} \left[\left(\frac{\text{Call Settlement Value}}{\text{Call Strike Value}} - \text{Strike} \right); 0 \right]$$

- (ii) "Worst of Basket" or "Basket" to be applicable, an amount calculated in accordance with the following formula:

$$\text{Max} \left\{ \left[\sum_{i=1}^n \text{Weight}_{(i)} \times \left(\frac{\text{Call Settlement Value}_{(i)}}{\text{Call Strike Value}_{(i)}} - \text{Strike} \right) \right]; 0 \right\}$$

"Call Return Threshold" means the amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms.

"Call Settlement Averaging Date" means, in respect of an Asset, each date specified as a Call Settlement Averaging Date, and where specified as an "Averaging Date" in the applicable Final Terms, subject to adjustment as an Averaging Date in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Call Settlement Reference Date" means, in respect of an Asset, each date specified as a Call Settlement Reference Date, and where specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Call Settlement Value" means, in respect of an Asset, if the applicable Final Terms specify:

- (i) "Call Settlement Closing Value", the Asset Closing Value of the Asset in respect of the Call Settlement Reference Date, as determined by the Calculation Agent; or
- (ii) "Call Settlement Average Value", the arithmetic mean of the Asset Closing Value of the Asset in respect of each Call Settlement Averaging Date, as determined by the Calculation Agent.

"Call Settlement Value_(i)" means the Call Settlement Value of Asset_(i).

"Call Strike Averaging Date" means, in respect of an Asset, each date specified as a Call Strike Averaging Date, and where specified as an "Averaging Date" in the applicable Final Terms, subject to adjustment as an Averaging Date in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Call Strike Reference Date" means, in respect of an Asset, each date specified as a Call Strike Reference Date, and where specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Call Strike Value" means, in respect of an Asset, if the applicable Final Terms specify:

- (i) "Call Strike Closing Value", the Asset Closing Value of the Asset in respect of the Call Strike Reference Date, as determined by the Calculation Agent; or
- (ii) "Call Strike Average Value", the arithmetic mean of the Asset Closing Value of the Asset in respect of each Call Strike Averaging Date, as determined by the Calculation Agent.

"Call Strike Value_(i)" means the Call Strike Value of Asset_(i).

"Final Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Final Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Final Value of the Final Worst Performing Asset.

"Final Value" means, in respect of an Asset, either of the following (i) or (ii) as specified in the applicable Final Terms:

- (i) Final Closing Value; or
- (ii) Final Average Value.

"Final Value_(i)" means the Final Value of Asset_(i).

"Final Worst Performing Asset" means, the Asset in the Asset Basket with the lower or lowest Final Asset Performance, where the "Final Asset Performance" of each Asset_(i) is calculated by dividing the Final Value of such Asset_(i) by the Initial Value of such Asset_(i) (provided that if two or more Assets have the same lowest Final Asset Performance, the Calculation Agent shall determine which of such Assets shall be the Final Worst Performing Asset in its sole and absolute discretion, and such Asset shall be the Final Worst Performing Asset).

"FX" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial, or if the applicable Final Terms specify "FX" to be not applicable, then "FX" shall be deemed to have a value of one (1).

"Initial Reference Value" means, if the applicable Final Terms specify:

- (i) "Single Asset" to be applicable, the Initial Value of the Asset; or
- (ii) "Worst of Basket" to be applicable, the Initial Value of the Final Worst Performing Asset.

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Participation" means the amount specified as such in the applicable Final Terms (which may be expressed as a percentage or decimal).

"RA" means the Reference Amount.

"Reference Amount" means the amount specified as such in the applicable Final Terms.

"Strike" means the amount specified as such in the applicable Final Terms.

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

1.17 CSA 17

This W&C Instruments Product Condition 1.17 applies if the applicable Final Terms specify that "CSA 17" is applicable.

(a) Cash Settlement Amount

- (i) If a Barrier Event has not occurred, the Cash Settlement Amount shall be calculated in accordance with the following formula:

$$(RA \times AP) + \{RA \times \text{Max}[0; \text{Participation} \times (\text{Call Return} - AP)] \times \text{FX}\}; \text{ or}$$

- (ii) If a Barrier Event has occurred, the Cash Settlement Amount shall be:

zero.

(b) Related Definitions

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 1.17(a) (*Cash Settlement Amount*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"AP" means **"Additional Percentage"**, which is the amount, expressed as a percentage, specified as such in the applicable Final Terms.

"Asset" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the **"Assets"**).

"Asset_(i)" means each Asset in an Asset Basket.

"Asset Basket" means: (i) a Basket of Indices; or (ii) a Basket of Shares; or (iii) a Basket of Funds; or (iv) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"Barrier Event" means (and a Barrier Event shall be deemed to occur if), where the applicable Final Terms specify as applicable:

- (i) "Barrier Reference Value less than or equal to the Barrier Level", the Barrier Reference Value is less than or equal to the Barrier Level;
- (ii) "Barrier Reference Value greater than or equal to the Barrier Level", the Barrier Reference Value is greater than or equal to the Barrier Level;

- (iii) "Barrier Reference Value less than the Barrier Level", the Barrier Reference Value is less than the Barrier Level; or
- (iv) "Barrier Reference Value greater than the Barrier Level", the Barrier Reference Value is greater than the Barrier Level.

Where:

"Barrier Level" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Level in respect of an Asset may be (i) an amount or a percentage of its Initial Value (where the Barrier Reference Value is a closing, an averaged or an intraday value), or (ii) an amount expressed as a percentage or decimal (where the Barrier Reference Value is a basket, an asset performance or worst of basket value), and each as specified in the applicable Final Terms.*

"Barrier Reference Value" has the meaning given in W&C Instruments Product Condition 2 (*Barrier Event Conditions*). *The Barrier Reference Value may be (i) a closing or intraday value (where "Barrier Period" is applicable), or (ii) any of a closing, an averaged, a basket, an asset performance or a worst of basket value, depending on the Asset(s) (where "Barrier Date(s)" is applicable) and as specified in the applicable Final Terms.*

"Call Return" means, if the applicable Final Terms specify:

- (i) "Single Asset Call Return", an amount calculated in accordance with the following formula:

$$\text{Max} \left[\left(\frac{\text{Call Settlement Value}}{\text{Call Strike Value}} - \text{Strike} \right); 0 \right]$$

- (ii) "Basket Call Return", an amount calculated in accordance with the following formula:

$$\text{Max} \left\{ \left[\sum_{i=1}^n \text{Weight}_{(i)} \times \left(\frac{\text{Call Settlement Value}_{(i)}}{\text{Call Strike Value}_{(i)}} - \text{Strike} \right) \right]; 0 \right\}$$

"Call Settlement Averaging Date" means, in respect of an Asset, each date specified as a Call Settlement Averaging Date, and where specified as an "Averaging Date" in the applicable Final Terms, subject to adjustment as an Averaging Date in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Call Settlement Reference Date" means, in respect of an Asset, each date specified as a Call Settlement Reference Date, and where specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Call Settlement Value" means, in respect of an Asset, if the applicable Final Terms specify:

- (i) "Call Settlement Closing Value", the Asset Closing Value of the Asset in respect of the Call Settlement Reference Date, as determined by the Calculation Agent; or
- (ii) "Call Settlement Average Value", the arithmetic mean of the Asset Closing Value of the Asset in respect of each Call Settlement Averaging Date, as determined by the Calculation Agent.

"Call Settlement Value_(i)" means the Call Settlement Value of Asset_(i).

"Call Strike Averaging Date" means, in respect of an Asset, each date specified as a Call Strike Averaging Date, and where specified as an "Averaging Date" in the applicable Final Terms, subject to adjustment as an Averaging Date in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Call Strike Reference Date" means, in respect of an Asset, each date specified as a Call Strike Reference Date, and where specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Call Strike Value" means, in respect of an Asset, if the applicable Final Terms specify:

- (i) "Call Strike Closing Value", the Asset Closing Value of the Asset in respect of the Call Strike Reference Date, as determined by the Calculation Agent; or
- (ii) "Call Strike Average Value", the arithmetic mean of the Asset Closing Value of the Asset in respect of each Call Strike Averaging Date, as determined by the Calculation Agent.

"Call Strike Value_(i)" means the Call Strike Value of Asset_(i).

"FX" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial, or if the applicable Final Terms specify "FX" to be not applicable, then "FX" shall be deemed to have a value of one (1).

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Participation" means the amount specified as such in the applicable Final Terms (which may be expressed as a percentage or decimal).

"RA" means the Reference Amount.

"Reference Amount" means the amount specified as such in the applicable Final Terms.

"Strike" means the amount specified as such in the applicable Final Terms.

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

2. **Barrier Event Conditions**

If the applicable Final Terms specify "Barrier Event" to be applicable, this W&C Instruments Product Condition 2 (*Barrier Event Conditions*) shall apply for the purposes of determining a "Barrier Event":

"Asset" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset_(i)" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset Basket" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset Closing Value" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset Intraday Value" means, in respect of a time on any day:

- (a) an Index, the Index Level of the Index at such time on such day;

- (b) a Share, the Share Price of the Share at such time on such day; and
- (c) a Fund Share, the Fund Share Price of the Fund Share at such time on such day.

"Barrier Asset Performance" means, in respect of an Asset, an amount calculated in accordance with the following formula:

$$\frac{\text{Barrier Asset Value}}{\text{Initial Value}}$$

"Barrier Asset Value" means, in respect of an Asset, (a) if the applicable Final Terms specify "Barrier Closing Value", the Asset Closing Value of the Asset as of the Barrier Event Valuation Time on any Barrier Event Determination Day, or (b) if the Final Terms specify "Barrier Average Value", the arithmetic mean of the Asset Closing Value of the Asset as of the Barrier Event Valuation Time in respect of each Barrier Event Determination Day.

"Barrier Asset Value_(i)" means the Barrier Asset Value of each Asset_(i).

"Barrier Event Determination Day" means, in respect of an Asset, if the applicable Final Terms specify:

- (a) "Barrier Period" to be applicable and specify the Barrier Reference Value to be:
 - (i) "Closing Value", a Barrier Event Determination Day (closing) and, if specified in the applicable Final Terms, each Specified Barrier Event Determination Day (closing); or
 - (ii) "Intraday Value", a Barrier Event Determination Day (intraday) and, if specified in the applicable Final Terms, each Specified Barrier Event Determination Day (intraday); or
- (b) "Barrier Date(s)" to be applicable and specify: (i) the Barrier Reference Value to be "Closing Value", "Worst Closing Value" or "Average Value", or (ii) the Barrier Asset Value to be "Barrier Closing Value" or "Barrier Average Value", each date specified as a "Specified Barrier Event Determination Day" in the applicable Final Terms.

"Barrier Event Determination Day (closing)" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; (b) a Share, has the meaning given to it in the Share Linked Conditions; (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*); and (d) a Fund Interest, has the meaning given to it in Fund Linked Conditions 3 (*Definitions (Funds other than Exchange Traded Funds)*).

"Barrier Event Determination Day (intraday)" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; (b) a Share, has the meaning given to it in the Share Linked Conditions; and (c) a Fund Share, has the meaning given to it in the Fund Linked Conditions.

"Barrier Event Valuation Time" means, if the applicable Final Terms:

- (a) specify the Barrier Reference Value to be "Intraday Value", the Barrier Event Valuation Time (intraday); or
- (b) specify the Barrier Reference Value to be "Closing Value" or "Worst Closing Value", or specify the Barrier Asset Value to be "Barrier Closing Value" or "Barrier Average Value", the Barrier Event Valuation Time (closing).

provided that, in respect of any Fund Interest and any day, the Barrier Event Valuation Time shall be deemed to be such time as the Fund Service Provider reports the net asset value of such Fund Interest for such day.

"Barrier Event Valuation Time (closing)" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; (b) a Share, has the meaning given to it in the Share Linked Conditions; and (c) a Fund Share, has the meaning given to it in the Fund Linked Conditions.

"Barrier Event Valuation Time (intraday)" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; (b) a Share, has the meaning given to it in the Share Linked Conditions; and (c) a Fund Share, has the meaning given to it in the Fund Linked Conditions.

"Barrier Level" means, if the applicable Final Terms specify the Barrier Reference Value to be:

- (a) "Closing Value" or "Average Value" or "Intraday Value", in respect of an Asset, the amount specified in the applicable Final Terms as the "Barrier Level" corresponding to the Asset, or a percentage of the Initial Value of the Asset specified in the applicable Final Terms as the "Barrier Level" corresponding to the Asset (or both);
- (b) "Worst Closing Value", in respect of each Asset_(i), if such Asset_(i) is the Barrier Worst Performing Asset on or in respect of the relevant Barrier Event Determination Day(s), the amount specified in the applicable Final Terms as the "Barrier Level" corresponding to such Asset_(i), or a percentage of the Initial Value of such Asset_(i) specified in the applicable Final Terms as the "Barrier Level" corresponding to such Asset_(i) (or both);
- (c) "Barrier Basket Value", in respect of an Asset Basket, the value (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms;
- (d) "Barrier Asset Performance", in respect of an Asset, the value (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms corresponding to the Asset;
- (e) "Barrier Worst Asset Performance", in respect of each Asset_(i), if such Asset_(i) is the Barrier Worst Performing Asset, the amount specified in the applicable Final Terms as the "Barrier Level" corresponding to such Asset_(i).

"Barrier Reference Value" has the meaning determined in accordance with the following paragraphs:

- (a) if the applicable Final Terms specify "Barrier Period" to be applicable, and:
 - (i) if "Closing Value" is specified in the applicable Final Terms, "Barrier Reference Value" means the Asset Closing Value of an Asset as of the Barrier Event Valuation Time on any Barrier Event Determination Day during the relevant Observation Period; or
 - (ii) if "Intraday Value" is specified in the applicable Final Terms, "Barrier Reference Value" means the Asset Intraday Value of an Asset as of the Barrier Event Valuation Time on any Barrier Event Determination Day during the relevant Observation Period; or
- (b) if the applicable Final Terms specify "Barrier Date(s)" to be applicable, and:
 - (i) if "Closing Value" is specified in the applicable Final Terms, "Barrier Reference Value" means the Asset Closing Value of an Asset as of the Barrier Event Valuation Time on a Barrier Event Determination Day; or
 - (ii) if "Worst Closing Value" is specified in the applicable Final Terms, "Barrier Reference Value" means the Asset Closing Value of the Barrier Worst Performing Asset as of the Barrier Event Valuation Time on or in respect of the relevant Barrier Event Determination Day(s); or

- (iii) if "Average Value" is specified in the applicable Final Terms, "Barrier Reference Value" means the arithmetic mean of the Asset Closing Value of an Asset as of the Barrier Event Valuation Time in respect of each Barrier Event Determination Day; or
- (iv) if "Barrier Basket Value" is specified in the applicable Final Terms, "Barrier Reference Value" means the sum of the weighted performance as of the Barrier Event Valuation Time on or in respect of the relevant Barrier Event Determination Day(s) of each Asset in an Asset Basket, which is calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Barrier Asset Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

- (v) if "Barrier Asset Performance" is specified in the applicable Final Terms, "Barrier Reference Value" means the performance as of the Barrier Event Valuation Time on or in respect of the relevant Barrier Event Determination Day(s) of an Asset, which is calculated in accordance with the following formula:

$$\frac{\text{Barrier Asset Value}}{\text{Initial Value}}$$

- (vi) if "Barrier Worst Asset Performance" is specified in the applicable Final Terms, "Barrier Reference Value" means, as of the Barrier Event Valuation Time on or in respect of the relevant Barrier Event Determination Day(s), the performance of the Barrier Worst Performing Asset, which is calculated in accordance with the following formula:

$$\frac{\text{Barrier Worst Asset Value}}{\text{Barrier Worst Initial Value}}$$

provided that if the Barrier Reference Value is specified as "Intraday Value" and:

- (A) if the Calculation Agent in its sole and absolute discretion determines that a Market Disruption Event is occurring in respect an Asset at any time on a Barrier Event Determination Day, if the applicable Final Terms specify that:
 - (1) "Market Disruption Event is not taken into account", the Calculation Agent shall disregard the period during which it determines in its sole and absolute discretion that such Market Disruption Event has occurred and is continuing for the purposes of determining whether or not a Barrier Event has occurred on such Barrier Event Determination Day; or
 - (2) "Market Disruption Event is taken into account", the Calculation Agent shall in its sole and absolute discretion determine whether or not a Barrier Event has occurred on such Barrier Event Determination Day, having regard to the then prevailing market conditions and such other factors as the Calculation Agent considers relevant.
- (B) for the purpose of determining whether a Barrier Event has occurred on any Barrier Event Determination Day in respect of an Asset which is:
 - (1) an Index, (x) the definition of Market Disruption Event specified in Index Linked Condition 3 (*Market Disruption*) shall be amended such that all references to "during the one-hour period that ends at the relevant Valuation Time" shall be deleted, and (y)

each reference to "Valuation Time" and "Scheduled Closing Time" in the definition of "Early Closure" appearing in Index Linked Condition 2 (*Definitions*) shall be construed as a reference to "Barrier Event Valuation Time (intraday)";

- (2) a Share, (x) the definition of Market Disruption Event specified in Share Linked Condition 3 (*Market Disruption*) shall be amended such that all references to "during the one-hour period that ends at the relevant Valuation Time" shall be deleted, and (y) each reference to "Valuation Time" and "Scheduled Closing Time" in the definition of "Early Closure" appearing in Share Linked Condition 2 (*Definitions*) shall be construed as a reference to "Barrier Event Valuation Time (intraday)";
- (3) a Fund Share, the definition of Market Disruption Event specified in Fund Linked Condition 8 (*Market Disruption*) shall be amended such that (x) all references therein to "during the one-hour period that ends at the relevant Valuation Time" shall be deleted, and (y) each reference to "Valuation Time" and "Scheduled Closing Time" in sub-paragraph (b) of Fund Linked Condition 8 (*Market Disruption*) shall be construed as a reference to "Barrier Event Valuation Time (intraday)".

"Barrier Worst Asset Value" means the Barrier Asset Value of the Barrier Worst Performing Asset.

"Barrier Worst Initial Value" means the Initial Value of the Barrier Worst Performing Asset.

"Barrier Worst Performing Asset" means, in respect of an Asset Basket and the relevant Barrier Event Determination Day(s), the Asset in the Asset Basket with the lower or lowest Barrier Asset Performance on or in respect of such Barrier Event Determination Day(s) as determined by the Calculation Agent (provided that if two or more Assets have the same lowest Barrier Asset Performance on or in respect of such Barrier Event Determination Day(s), the Calculation Agent shall determine which of such Assets shall be the Barrier Worst Performing Asset for such Barrier Event Determination Day(s) in its sole and absolute discretion, and such Asset shall be the Barrier Worst Performing Asset for such Barrier Event Determination Day(s)).

"Initial Value" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Initial Value_(i)" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Observation Period" if specified to be applicable, means, in respect of an Asset:

- (a) if the applicable Final Terms specify the consequence of **"Extension"**, each period commencing on the Observation Period Start Date, following adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset, (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, following adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms); or
- (b) if the applicable Final Terms specify the consequence of **"No Extension"**, each period commencing on the Observation Period Start Date, prior to any adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, prior to any adjustment of such date pursuant to the relevant Underlying

Asset Conditions applicable to the Asset (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms),

and in each case, where the W&C Instruments relate to an Asset Basket, there shall be a separate Observation Period in respect of each Asset in the Asset Basket.

"Observation Period End Date" means, in respect of an Asset, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of: (a) "Observation Date" if "Adjusted as an Observation Date" is specified in the applicable Final Terms in respect of such date, or (b) "Valuation Date" if "Adjusted as a Valuation Date" is specified in the applicable Final Terms in respect of such date.

"Observation Period Start Date" means, in respect of an Asset, each date specified as such in the applicable Final Terms, subject to adjustment in accordance with the provisions of: (a) "Observation Date" if "Adjusted as an Observation Date" is specified in the applicable Final Terms in respect of such date, or (b) "Valuation Date" if "Adjusted as a Valuation Date" is specified in the applicable Final Terms in respect of such date.

"Specified Barrier Event Determination Day (closing)" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; (b) a Share, has the meaning given to it in the Share Linked Conditions; (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*); and (d) a Fund Interest, has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*).

"Specified Barrier Event Determination Day (intraday)" in respect of: (a) an Index, has the meaning given to it in the Index Linked Conditions; (b) a Share, has the meaning given to it in the Share Linked Conditions; and (c) a Fund Share, has the meaning given to it in the Fund Linked Conditions.

3. **Mandatory Early Exercise Conditions**

The following Product Conditions apply to W&C Instruments in relation to which "Mandatory Early Exercise" is specified to be applicable in the applicable Final Terms.

3.1 **Mandatory Early Exercise Event**

If a Mandatory Early Exercise Event occurs, all (but not less than all) of the W&C Instruments will be automatically exercised on the Mandatory Early Exercise Date, and, notwithstanding any provision to the contrary in the Conditions, the Cash Settlement Amount shall be the Mandatory Early Exercise Cash Settlement Amount, which shall be payable on the Mandatory Early Exercise Cash Settlement Date.

If the W&C Instruments are automatically exercised on the Mandatory Early Exercise Date, (a) the Mandatory Early Exercise Date shall be deemed to be the Expiration Date (in the case of American Style Warrants) or the Exercise Date (in the case of European Style Warrants or Certificates), (b) in the case of Warrants other than Swedish Warrants and Finnish Warrants, the provisions of W&C Instruments Condition 24(E) (*Automatic Exercise*) shall apply, (c) in the case of Warrants, the provisions of W&C Instruments Condition 24(C) (*Settlement*) shall apply, (d) in the case of Certificates, the provisions of W&C Instruments Condition 30(C) (*Settlement*) shall apply and (e) the expressions "exercise", "due exercise" and related expressions shall be construed to apply to any W&C Instruments which are automatically exercised on the Mandatory Early Exercise Date in accordance with this provision.

3.2 **Related Definitions**

The following terms shall have the following meanings for the purposes of this W&C Instruments Product Condition 3 (*Mandatory Early Exercise Conditions*) (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"Additional Amount (Mandatory Early Exercise)" means an amount calculated in accordance with the following formula:

$$\text{Reference Amount} \times t \times \text{Additional Percentage}$$

"Additional Percentage" means the amount, expressed as a percentage, specified as such in the applicable Final Terms.

"Asset" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset Basket" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset Basket Performance" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset Performance" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Latest Reference Date" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Mandatory Early Exercise Cash Settlement Amount" means, in respect of each W&C Instrument, an amount (which may be zero) specified as such in the applicable Final Terms, provided that if the applicable Final Terms specify **"Additional Amount (Mandatory Early Exercise)"** to be applicable, an Additional Amount (Mandatory Early Exercise) shall be payable on the Mandatory Early Exercise Cash Settlement Date together with the Mandatory Early Exercise Cash Settlement Amount (which may be zero).

"Mandatory Early Exercise Cash Settlement Date" means the day falling on the tenth Business Day after the Mandatory Early Exercise Date or such other number of Business Days after the Mandatory Early Exercise Date as specified in the applicable Final Terms.

"Mandatory Early Exercise Date" means the first Mandatory Early Exercise Reference Date on which a Mandatory Early Exercise Event has occurred, provided that in the case of Underlying Asset Linked Instruments which relate to an Asset Basket, if the Mandatory Early Exercise Reference Date for one or more Assets in an Asset Basket is adjusted in accordance with the relevant Underlying Asset Conditions applicable to the Assets and the W&C Instruments Product Conditions, as applicable, the **"Mandatory Early Exercise Date"** shall be the Latest Reference Date corresponding to the first Mandatory Early Exercise Reference Date on which a Mandatory Early Exercise Event has occurred.

"Mandatory Early Exercise Event" means, if the applicable Final Terms specify:

- (a) **"Mandatory Early Exercise Event (Single Asset)"**, in respect of each Mandatory Early Exercise Reference Date (and a Mandatory Early Exercise Event shall be deemed to have occurred in respect of such Mandatory Early Exercise Reference Date if the Calculation Agent determines that), the Asset Performance in respect of such Mandatory Early Exercise Reference Date of the Asset is, where the applicable Final Terms specify as applicable:
 - (i) "less than or equal to Mandatory Early Exercise Trigger", less than or equal to the relevant Mandatory Early Exercise Trigger;
 - (ii) "greater than or equal to Mandatory Early Exercise Trigger", greater than or equal to the relevant Mandatory Early Exercise Trigger;
 - (iii) "less than Mandatory Early Exercise Trigger", less than the relevant Mandatory Early Exercise Trigger; or
 - (iv) "greater than Mandatory Early Exercise Trigger", greater than the relevant Mandatory Early Exercise Trigger,

all as determined by the Calculation Agent;

- (b) **"Mandatory Early Exercise Event (Worst of Basket)"**, in respect of each Mandatory Early Exercise Reference Date (and a Mandatory Early Exercise Event shall be deemed to have occurred in respect of such Mandatory Early Exercise Reference Date if the Calculation Agent determines that), the Asset Performance in respect of such Mandatory Early Exercise Reference Date of the Worst Performing Asset on such Mandatory Early Exercise Reference Date is, where the applicable Final Terms specify as applicable:
- (i) "less than or equal to Mandatory Early Exercise Trigger", less than or equal to the relevant Mandatory Early Exercise Trigger of such Worst Performing Asset;
 - (ii) "greater than or equal to Mandatory Early Exercise Trigger", greater than or equal to the relevant Mandatory Early Exercise Trigger of such Worst Performing Asset;
 - (iii) "less than Mandatory Early Exercise Trigger", less than the relevant Mandatory Early Exercise Trigger of such Worst Performing Asset; or
 - (iv) "greater than Mandatory Early Exercise Trigger", greater than the relevant Mandatory Early Exercise Trigger of such Worst Performing Asset,

all as determined by the Calculation Agent;

- (c) **"Mandatory Early Exercise Event (Basket)"**, in respect of each Mandatory Early Exercise Reference Date (and a Mandatory Early Exercise Event shall be deemed to have occurred in respect of such Mandatory Early Exercise Reference Date if the Calculation Agent determines that), the Asset Basket Performance in respect of such Mandatory Early Exercise Reference Date of the Asset Basket is, where the applicable Final Terms specify as applicable:
- (i) "less than or equal to Mandatory Early Exercise Trigger", less than or equal to the relevant Mandatory Early Exercise Trigger;
 - (ii) "greater than or equal to Mandatory Early Exercise Trigger", greater than or equal to the relevant Mandatory Early Exercise Trigger;
 - (iii) "less than Mandatory Early Exercise Trigger", less than the relevant Mandatory Early Exercise Trigger; or
 - (iv) "greater than Mandatory Early Exercise Trigger", greater than the relevant Mandatory Early Exercise Trigger,

all as determined by the Calculation Agent.

"Mandatory Early Exercise Reference Date" means, in respect of an Asset, each Valuation Date, Observation Date or other date(s) (or any combination of the foregoing) specified as a "Mandatory Early Exercise Reference Date" in the applicable Final Terms, and if such date(s) (other than any Valuation Date or Observation Date specified as a "Mandatory Early Exercise Reference Date") is specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, such date will be subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Mandatory Early Exercise Table" means the table specified as such in the applicable Final Terms.

"Mandatory Early Exercise Trigger" means, if the applicable Final Terms specify the Mandatory Early Exercise Event to be:

- (i) "Mandatory Early Exercise Event (Single Asset)", in respect of an Asset and each Mandatory Early Exercise Reference Date, the amount specified as such in the applicable Final Terms in respect of the Asset; or
- (ii) "Mandatory Early Exercise Event (Worst of Basket)", in respect of each Asset_(i) and each Mandatory Early Exercise Reference Date, if such Asset_(i) is the Worst Performing Asset in respect of such Mandatory Early Exercise Reference Date, the amount specified as such in the applicable Final Terms in respect of such Asset_(i); or
- (iii) "Mandatory Early Exercise Event (Basket)", in respect of an Asset Basket and each Mandatory Early Exercise Reference Date, the amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms,

or, in each case of (i), (ii) and (iii), as specified in the column entitled "Mandatory Early Exercise Trigger" of the Mandatory Early Exercise Table in the row corresponding to the date (specified in the column entitled "Mandatory Early Exercise Reference Date(s)") on which such Mandatory Early Exercise Reference Date is scheduled to fall.

"Reference Amount" means an amount specified in the applicable Final Terms.

"t" means, in respect of each Mandatory Early Exercise Reference Date, a value (which may be zero) specified in the column entitled "t" of the Mandatory Early Exercise Table in the row corresponding to the date (specified in the column entitled "Mandatory Early Exercise Reference Date(s)") on which such Mandatory Early Exercise Reference Date is scheduled to fall.

"Worst Performing Asset" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

4. **Additional Amounts Conditions**

The following Product Conditions apply to W&C Instruments in relation to which "Additional Amounts Conditions" is specified to be applicable in the applicable Final Terms or otherwise specified to be applicable in the Product Conditions.

4.1 **Accrual of Additional Amount**

Each W&C Instrument will cease to accrue additional amounts from and including the Additional Amount Cut-Off Date or, if earlier, the date on which the W&C Instruments are cancelled (the **"Cancellation Date"**), if applicable, in accordance with these Conditions unless payment of the amount and/or delivery of any Entitlement due on the Settlement Date or Cancellation Date, as the case may be, is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case additional amount(s) shall accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered. as the case may be.

For the avoidance of doubt, no additional amount on the W&C Instruments shall accrue beyond the Exercise Date in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event.

4.2 **Payment of Additional Amounts**

Certificates represented by Definitive Registered Certificates

For so long as the Certificates are represented by Definitive Registered Certificates, where the Certificates pay additional amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Additional Amount for each Certificate in respect of each Additional Amount Payment Date by credit or transfer to an account in the relevant Settlement Currency outside the United States (in accordance with the applicable U.S. Treasury Regulations) specified by the Holder or, at the option of the Holder, by cheque mailed to the address of the Holder registered in the Register on the fifteenth calendar day before the due date for such payment (such date being the **"Additional Amount Payment**

Record Date" for such Definitive Registered Certificates) for value on the relevant Additional Amount Payment Date. In order to receive the Additional Amount the Holder must deliver the relevant individual certificate to the Registrar.

Certificates represented by Global Certificate

For so long as the Certificates are represented by a Global Certificate, where the Certificates pay additional amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Additional Amount for each Certificate in respect of each Additional Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Additional Amount Payment Date, such payment to be made in accordance with the rules of the relevant Clearing System.

Warrants other than Swedish Warrants and CREST Warrants

Except in the case of Swedish Warrants and CREST Warrants, where the Warrants pay Additional Amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Additional Amount for each Warrant in respect of each Additional Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Additional Amount Payment Date, such payment to be made in accordance with the rules of the relevant Clearing System.

Except in the case of Swedish W&C Instruments and CREST W&C Instruments, the Issuer or the Guarantor, as applicable, will be discharged by payment to, or to the order of, the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the W&C Instruments must look solely to the relevant Clearing System for his share of each such payment so made to, or to the order of, the relevant Clearing System.

Swedish W&C Instruments

In the case of Swedish W&C Instruments, where the W&C Instruments pay Additional Amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor shall pay or cause to be paid the Additional Amount for each Swedish W&C Instrument in respect of each Additional Amount Payment Date by credit or transfer to the person registered as Holder in the Swedish Register on the fifth Business Day prior to the relevant Additional Amount Payment Date (the "**Additional Amount Payment Record Date**"). The Swedish Instrument Agent will pay the Additional Amounts through the Swedish CSD to each Holder appearing in the Swedish Register on the Additional Amount Payment Record Date on the relevant Additional Amount Payment Date.

CREST W&C Instruments

In the case of CREST W&C Instruments, where the W&C Instruments pay Additional Amounts, subject as provided below, the Issuer or failing the Issuer, the Guarantor, shall pay or cause to be paid by the CREST Agent the Additional Amount (if any) for each W&C Instrument in respect of each Additional Amount Payment Date to the Holder's cash memorandum account as shown in the records of the Operator, such payments to be made in accordance with the rules of the Operator.

Payments subject to fiscal laws

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

Notwithstanding the foregoing, a cheque may not be delivered to an address in, a credit or transfer may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in, the United States by any office or agency of the Issuer, the Guarantor, the Principal Paying Agent, the Principal Certificate Agent, any Paying Agent or any Instrument Agent.

4.3 Determination of Additional Amounts

(a) Periodic Additional Amounts

- (i) If the applicable Final Terms specify "**Periodic Additional Amounts**" to be applicable, in respect of each W&C Instrument, an Additional Amount will be payable on each Additional Amount Payment Date from (and including) the Additional Amount Commencement Date at the Additional Amount Rate for each Additional Amount Period ending on (but excluding) such Additional Amount Payment Date.
- (ii) If an additional amount is required to be calculated for a period ending other than on (but excluding) an Additional Amount Payment Date, it will be calculated on the basis of the number of calendar days from and including the most recent Additional Amount Payment Date (or, if none, the Additional Amount Commencement Date) to but excluding the relevant payment date and the Additional Amount Rate Day Count Fraction.

(b) Fixed Additional Amount

If the applicable Final Terms specify "**Fixed Additional Amount**" to be applicable, the Additional Amount payable in respect of each W&C Instrument on each Additional Amount Payment Date shall be the Specified Additional Amount specified in the applicable Final Terms or if the Specified Additional Amount is specified to be not applicable, an amount calculated in accordance with the following formula:

$$\text{Reference Amount} \times \text{Additional Amount Percentage}$$

(c) Additional Amount Event Conditions

If the applicable Final Terms specify "**Additional Amount Event Conditions**" to be applicable, the Additional Amount payable in respect of each W&C Instrument on each Additional Amount Payment Date shall be determined in accordance with the applicable paragraph below:

(i) Additional Cumulative Amount

If the applicable Final Terms specify "**Additional Cumulative Amount**" to be applicable, then in respect of each Additional Amount Payment Date, if the Calculation Agent determines that:

- (A) an Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding such Additional Amount Payment Date, the Additional Amount payable on such Additional Amount Payment Date shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times (\text{Additional Amount Percentage} + \text{Additional Cumulative Percentage}); \text{ or}$$

- (B) no Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding such Additional Amount Payment Date, no Additional Amount shall be payable on such Additional Amount Payment Date.

(ii) Additional Non-Cumulative Amount

If the applicable Final Terms specify "**Additional Non-Cumulative Amount**" to be applicable, then in respect of each Additional Amount Payment Date, if the Calculation Agent determines that:

- (A) an Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding such Additional Amount Payment Date, the Additional Amount payable on such Additional Amount Payment Date shall be calculated in accordance with the following formula:

Reference Amount $\times$ Additional Amount Percentage $\times$ Additional Amount Multiplier; or

- (B) no Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding such Additional Amount Payment Date, no Additional Amount shall be payable on such Additional Amount Payment Date.

(d) **Range Accrual Additional Amount**

If the applicable Final Terms specify "**Range Accrual Additional Amount**" to be applicable, the Additional Amount payable on an Additional Amount Payment Date shall be calculated in accordance with the following formula:

$$\text{Reference Amount} \times \text{Additional Amount Accrual Rate} \times \frac{n}{N}$$

(e) **Related Definitions**

The following terms shall have the following meanings for the purposes of W&C Instruments Product Condition 4.3 (*Determination of Additional Amounts*) above (in addition to any other relevant defined terms set out in W&C Instruments Product Condition 5 (*Other Definitions*) and elsewhere in the Terms and Conditions):

"**Accrual Asset Closing Value_(i)**" means the Asset Closing Value of Asset_(i) in respect of an Accrual Day.

"**Accrual Basket Value**" means, in respect of an Asset Basket and an Accrual Day, an amount calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Accrual Asset Closing Value}_{(i)}}{\text{Initial Value}_{(i)}}$$

"**Accrual Day**" means, in respect of an Accrual Period and an Asset Basket, each Accrual Common Trading Day in such Accrual Period that is not a Disrupted Day for any Asset in the Asset Basket (and, if such Asset Basket includes one or more Fund Interests, that is not a day on which a Fund Event has occurred or is continuing for any Fund Interest in the Asset Basket).

"**Accrual Common Trading Day**" means, in respect of:

- (i) a Basket of Shares, a Common Scheduled Trading Day;
- (ii) a Basket of Indices, a Common Scheduled Trading Day;
- (iii) a basket of Fund Shares, a Common Scheduled Trading Day;
- (iv) a basket of Fund Interests, a Fund Specified Date; or
- (v) a Hybrid Basket, a Common Trading Day.

"**Accrual Event**" means, if the applicable Final Terms specify:

- (i) "**Accrual Event (Basket)**", (and an Accrual Event will have occurred if the Calculation Agent determines that) on any Accrual Common Trading Day that is not a Disrupted Day for any Asset in an Asset Basket (and, if such Asset Basket includes one or more Fund Interests, that is not a day on which a Fund Event has occurred or is continuing for any Fund Interest in the Asset Basket, the Accrual Basket Value of the Asset Basket on such day is, where the applicable Final Terms specify as applicable:

- (A) "less than or equal to Accrual Level", less than or equal to the Accrual Level;

(B) "greater than or equal to Accrual Level", greater than or equal to the Accrual Level;

(C) "less than Accrual Level", less than the Accrual Level; or

(D) "greater than Accrual Level", greater than the Accrual Level,

all as determined by the Calculation Agent;

(ii) **"Accrual Event (Single Asset)"**, (and an Accrual Event will have occurred if the Calculation Agent determines that) on any Accrual Trading Day that is not a Disrupted Day for the Asset (or, if such Asset is a Fund Interest, that is not a day on which a Fund Event has occurred or is continuing), the Asset Closing Value of the Asset on such day is, where the applicable Final Terms specify as applicable:

(A) "less than or equal to Accrual Level", less than or equal to the Accrual Level;

(B) "greater than or equal to Accrual Level", greater than or equal to the Accrual Level;

(C) "less than Accrual Level", less than the Accrual Level; or

(D) "greater than Accrual Level", greater than the Accrual Level,

all as determined by the Calculation Agent;

(iii) **"Accrual Event (Worst of Basket)"**, (and an Accrual Event will have occurred if the Calculation Agent determines that), on any Accrual Common Trading Day that is not a Disrupted Day for any Asset in an Asset Basket (and, if such Asset Basket includes one or more Fund Interests, that is not a day on which a Fund Event has occurred or is continuing in respect of any Fund Interest in the Asset Basket), the Asset Closing Value of each Asset in the Asset Basket on such day is, where the applicable Final Terms specify as applicable:

(A) "less than or equal to Accrual Level", less than or equal to the relevant Accrual Level for such Asset;

(B) "greater than or equal to Accrual Level", greater than or equal to the relevant Accrual Level for such Asset;

(C) "less than Accrual Level", less than the relevant Accrual Level for such Asset; or

(D) "greater than Accrual Level", greater than the relevant Accrual Level for such Asset,

all as determined by the Calculation Agent.

"Accrual Level" means, if the applicable Final Terms specify the Accrual Event to be:

(i) "Accrual Event (Single Asset)" or "Accrual Event (Worst of Basket)", in respect of an Asset, the amount specified in the applicable Final Terms as the "Accrual Level" corresponding to the Asset, or a percentage of the Initial Value of the Asset specified in the applicable Final Terms as the "Accrual Level" corresponding to the Asset (or both); or

(ii) "Accrual Event (Basket)", in respect of an Asset Basket, the amount specified as the "Accrual Level" in the applicable Final Terms (which may be expressed as a percentage or decimal).

"Accrual Period" means, in respect of an Asset, any of the following as specified in the applicable Final Terms:

- (i) if the applicable Final Terms specify "**Extension**" and:
 - (A) no Accrual Period Table is specified in the applicable Final Terms, (I) the period commencing on, but excluding, the Accrual Period Commencement Date, following adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable and ending on, and including, the first Additional Amount Reference Date immediately following the Accrual Period Commencement Date, following adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable, and (II) each period commencing on, but excluding, an Additional Amount Reference Date, following adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable, and ending on, and including, the immediately following Additional Amount Reference Date, following adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable; or
 - (B) an Accrual Period Table is specified in the applicable Final Terms, in respect of each Additional Amount Payment Date, each period commencing on the Accrual Period Start Date immediately preceding such Additional Amount Payment Date, following adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable, (and including or excluding such Accrual Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Accrual Period End Date, following adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable (and excluding or including such Accrual Period End Date, as specified in the applicable Final Terms), in each case appearing in the Accrual Period Table in the row corresponding to the date (specified in the column entitled "Additional Amount Payment Date(s)") on which such Additional Amount Payment Date is scheduled to fall;
- (ii) if the applicable Final Terms specify "**No Extension**", and:
 - (A) no Accrual Period Table is specified in the applicable Final Terms, (I) the period commencing on, but excluding, the Accrual Period Commencement Date, prior to any adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable, and ending on, and including, the first Additional Amount Reference Date immediately following the Accrual Period Commencement Date, prior to any adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable, and (II) each period commencing on, but excluding, an Additional Amount Reference Date, prior to any adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable, and ending on, and including, the immediately following Additional Amount Reference Date, prior to any adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable; or
 - (B) an Accrual Period Table is specified in the applicable Final Terms, in respect of each Additional Amount Payment Date, each period commencing on the Accrual Period Start Date immediately preceding such Additional Amount Payment Date, prior to any adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable (and including or excluding such Accrual Period Start Date, as specified in the applicable Final Terms) and ending on the

immediately following Accrual Period End Date, prior to any adjustment of such date pursuant to the relevant Underlying Asset Conditions applicable to the Asset and the W&C Instruments Product Conditions, as applicable (and excluding or including such Accrual Period End Date, as specified in the applicable Final Terms), in each case appearing in the Accrual Period Table in the row corresponding to the date (specified in the column entitled "Additional Amount Payment Date(s)") on which such Additional Amount Payment Date is scheduled to fall.

"Accrual Period Commencement Date" means the Strike Date or any other date specified as the "Accrual Period Commencement Date" in the applicable Final Terms.

"Accrual Period End Date" means, in respect of an Asset, each Observation Date, each Valuation Date, the Final Reference Date or other date(s) (or any combination of the foregoing) specified as an "Accrual Period End Date" in the applicable Final Terms, and if such date(s) (other than any Valuation Date or Observation Date specified as an "Accrual Period End Date") is specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, such date will be subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Accrual Period Start Date" means, in respect of an Asset, the Strike Date, each Observation Date, each Valuation Date, the Final Reference Date or other date(s) (or any combination of the foregoing) specified as an "Accrual Period Start Date" in the applicable Final Terms, and if such date(s) (other than any Valuation Date or Observation Date specified as an "Accrual Period Start Date") is specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, such date will be subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Accrual Period Table" means the table specified as such in the applicable Final Terms.

"Accrual Trading Day" means, in respect of:

- (i) a Share, a Scheduled Trading Day;
- (ii) an Index, a Scheduled Trading Day;
- (iii) a Fund Share, a Scheduled Trading Day; or
- (iv) a Fund Interest, a Fund Specified Date.

"Additional Amount" means, in respect of each W&C Instrument, if the applicable Final Terms specify:

- (i) **"Periodic Additional Amounts"** to be applicable, an amount in respect of each Additional Amount Period calculated in accordance with the following formula:

Notional Amount per W&C Instrument × Additional Amount Rate × Additional Amount Rate Day Count Fraction ; OR

- (ii) **"Fixed Additional Amount", "Additional Amount Event Conditions" or "Range Accrual Additional Amount"** to be applicable, an amount determined in accordance with W&C Instruments Product Condition 4.3 (*Determination of Additional Amounts*).

"Additional Amount Commencement Date" means, in respect of W&C Instruments, the Issue Date or other date specified as such in the applicable Final Terms.

"Additional Amount Cut-Off Date" means, in respect of W&C Instruments, either the Exercise Date or the Settlement Date, as specified in the applicable Final Terms, or the date specified as such in the applicable Final Terms.

"Additional Amount Accrual Rate" means an amount specified as such in the applicable Final Terms, which may be expressed as a percentage or as a percentage per annum rate.

"Additional Amount Event" means, if the applicable Final Terms specify:

(i) **"Additional Amount Event (Single Asset)"**, in respect of each Additional Amount Reference Date (and an Additional Amount Event shall be deemed to have occurred in respect of such Additional Amount Reference Date if the Calculation Agent determines that), the Asset Performance in respect of such Additional Amount Reference Date of the Asset is, where the applicable Final Terms specify as applicable:

- (A) "less than or equal to Additional Amount Threshold", less than or equal to the relevant Additional Amount Threshold;
- (B) "greater than or equal to Additional Amount Threshold", greater than or equal to the relevant Additional Amount Threshold;
- (C) "less than Additional Amount Threshold", less than the relevant Additional Amount Threshold; or
- (D) "greater than Additional Amount Threshold", greater than the relevant Additional Amount Threshold,

all as determined by the Calculation Agent;

(ii) **"Additional Amount Event (Worst of Basket)"**, in respect of each Additional Amount Reference Date (and an Additional Amount Event shall be deemed to have occurred in respect of such Additional Amount Reference Date if the Calculation Agent determines that), the Asset Performance in respect of such Additional Amount Reference Date of the Worst Performing Asset on such Additional Amount Reference Date is, where the applicable Final Terms specify as applicable:

- (A) "less than or equal to Additional Amount Threshold", less than or equal to the relevant Additional Amount Threshold for such Worst Performing Asset;
- (B) "greater than or equal to Additional Amount Threshold", greater than or equal to the relevant Additional Amount Threshold for such Worst Performing Asset;
- (C) "less than Additional Amount Threshold", less than the relevant Additional Amount Threshold for such Worst Performing Asset; or
- (D) "greater than Additional Amount Threshold", greater than the relevant Additional Amount Threshold for such Worst Performing Asset,

all as determined by the Calculation Agent;

(iii) **"Additional Amount Event (Basket)"**, in respect of each Additional Amount Reference Date (and an Additional Amount Event shall be deemed to have occurred in respect of such Additional Amount Reference Date if the Calculation Agent determines that), the Asset Basket Performance in respect of such Additional Amount Reference Date of the Asset Basket is, where the applicable Final Terms specify as applicable:

- (A) "less than or equal to Additional Amount Threshold", less than or equal to the relevant Additional Amount Threshold;
- (B) "greater than or equal to Additional Amount Threshold", greater than or equal to the relevant Additional Amount Threshold;

- (C) "less than Additional Amount Threshold", less than the relevant Additional Amount Threshold; or
- (D) "greater than Additional Amount Threshold", greater than the relevant Additional Amount Threshold,

all as determined by the Calculation Agent.

"Additional Amount Multiplier" means, in respect of each Additional Amount Reference Date, the amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms, or as specified in the column entitled "Additional Amount Multiplier" of the Additional Amount Table in the row corresponding to the date (specified in the column entitled "Additional Amount Reference Date(s)") on which such Additional Amount Reference Date is scheduled to fall, or if the applicable Final Terms specify "Additional Amount Multiplier" to be not applicable, then "Additional Amount Multiplier" shall be deemed to have a value of one (1) in respect of each Additional Amount Reference Date.

"Additional Amount Payment Date" means:

- (i) any of the following as specified in the applicable Final Terms:
 - (A) in respect of: (I) each Additional Amount Reference Date other than the Final Additional Amount Reference Date, the tenth Business Day following the Latest Reference Date in respect of such Additional Amount Reference Date (or such other number of Business Days following the Latest Reference Date in respect of such Additional Amount Reference Date as specified in the applicable Final Terms); and (II) the Final Additional Amount Reference Date, the Settlement Date; or
 - (B) in respect of: (I) each Additional Amount Reference Date other than the Final Additional Amount Reference Date, the tenth Business Day following such Additional Amount Reference Date (or such other number of Business Days following such Additional Amount Reference Date as specified in the applicable Final Terms); and (II) the Final Additional Amount Reference Date, the Settlement Date; or
- (ii) if an Accrual Period Table is specified in the applicable Final Terms, any of the following as specified in the applicable Final Terms:
 - (A) in respect of: (I) each Accrual Period End Date (other than the Final Accrual Period End Date), such number of Business Days following the Latest Reference Date in respect of such Accrual Period End Date as specified in the applicable Final Terms; and (II) the Final Accrual Period End Date, the Settlement Date; or
 - (B) in respect of: (I) each Accrual Period End Date (other than the Final Accrual Period End Date), such number of Business Days following such Accrual Period End Date as specified in the applicable Final Terms; and (II) the Final Accrual Period End Date, the Settlement Date; or
 - (C) in respect of each Accrual Period End Date, each date specified in the column entitled "Additional Amount Payment Date(s)" of the Accrual Period Table in the row corresponding to the date (specified in the column entitled "Accrual Period End Date(s)") on which such Accrual Period End Date is scheduled to fall;
- (iii) notwithstanding sub-paragraphs (i) and (ii) above and in any case, each date specified as such in the applicable Final Terms,

provided that, in each case, if the W&C Instruments are automatically exercised on the Mandatory Early Exercise Date as a result of a Mandatory Early Exercise Event occurring, or otherwise, the first Additional Amount Payment Date immediately following the Mandatory

Early Exercise Date shall be the final Additional Amount Payment Date for the W&C Instruments (and there shall be no further Additional Amount Payment Dates).

"Additional Amount Percentage" means the amount, expressed as a percentage, specified as such in the applicable Final Terms.

"Additional Amount Period" means the period commencing on (and including) the Additional Amount Commencement Date to (but excluding) the first Additional Amount Payment Date (or if earlier the Additional Amount Cut-Off Date) and each period commencing on (and including) an Additional Amount Payment Date to (but excluding) the next following Additional Amount Payment Date (or if earlier the Additional Amount Cut-Off Date), and, if the applicable Final Terms specify that the Additional Amount Periods, or particular Additional Amount Periods shall be (i) "Adjusted", then each Additional Amount Period shall commence on or end on, as the case may be, the relevant Additional Amount Payment Date after all applicable adjustments to such Additional Amount Payment Date pursuant to the Conditions, or (ii) "Unadjusted", then each Additional Amount Period shall commence on or end on, as the case may be, the date on which the relevant Additional Amount Payment Date is scheduled to fall, disregarding all applicable adjustments to such Additional Amount Payment Date pursuant to the Conditions.

"Additional Amount Rate" means an amount, expressed as a percentage per annum, specified in the applicable Final Terms.

"Additional Amount Rate Day Count Fraction" means the Day Count Fraction specified as in the applicable Final Terms.

"Additional Amount Reference Date" means, in respect of an Asset, any of a Valuation Date, an Observation Date, a Mandatory Early Exercise Reference Date, the Final Reference Date or other date(s) (or any combination of the foregoing) specified as an "Additional Amount Reference Date" in the applicable Final Terms, and if such date(s) (other than any Valuation Date or Observation Date specified as an "Additional Amount Reference Date") is specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, such date will be subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Additional Amount Table" means the table specified as such in the applicable Final Terms.

"Additional Amount Threshold" means, if the applicable Final Terms specify the Additional Amount Event to be:

- (i) "Additional Amount Event (Single Asset)", in respect of an Asset and each Additional Amount Reference Date, the amount specified as such in the applicable Final Terms in respect of the Asset; or
- (ii) "Additional Amount Event (Worst of Basket)", in respect of each Asset_(i) and each Additional Amount Reference Date, if such Asset_(i) is the Worst Performing Asset in respect of such Additional Amount Reference Date, the amount specified as such in the applicable Final Terms as the "Additional Amount Threshold" in respect of such Asset_(i);
- (iii) "Additional Amount Event (Basket)", in respect of an Asset Basket and each Additional Amount Reference Date, the amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms,

or, in each case of (i), (ii) and (iii), as specified in the column entitled "Additional Amount Threshold" of the Additional Amount Table in the row corresponding to the date (specified in the column entitled "Additional Amount Reference Date(s)") on which such Additional Amount Reference Date is scheduled to fall.

"Additional Cumulative Percentage" means in respect of each W&C Instrument and each Additional Amount Payment Date (the **"Current Additional Amount Payment Date"**), an

amount determined by the Calculation Agent to be equal to (i) the Additional Amount Percentage, multiplied by (ii) a number (which may be zero) equal to the number of Additional Amount Payment Dates falling from, but excluding, the Previous Actual Additional Amount Payment Date (or, if there is no preceding Additional Amount Payment Date or no preceding Additional Amount Payment Date in respect of which an Additional Amount Event occurred on the relevant Additional Amount Reference Date, the Issue Date) corresponding to the Current Additional Amount Payment Date to, but excluding, the Current Additional Amount Payment Date.

"Asset" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset_(i)" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset Basket" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset Basket Performance" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset Closing Value" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Asset Performance" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Common Scheduled Trading Day" in respect of:

- (i) a Basket of Indices, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (ii) a Basket of Shares, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (iii) a Basket of Funds, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Common Trading Day" has the meaning given in Hybrid Basket Linked Condition 2 (*Definitions*).

"Day Count Fraction" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Disrupted Day" in respect of:

- (i) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (ii) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (iii) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Final Accrual Period End Date" means any of the following as specified in the applicable Final Terms: (i) the Accrual Period End Date scheduled to fall on the date specified as the "Final Accrual Period End Date" in the applicable Final Terms, or (ii) the Final Reference Date, or (iii) any other date specified as the "Final Accrual Period End Date" in the applicable Final Terms.

"Final Additional Amount Reference Date" means any of the following as specified in the applicable Final Terms: (i) the Additional Amount Reference Date scheduled to fall on the date specified as the "Final Additional Amount Reference Date" in the applicable Final Terms, or (ii) the Final Reference Date, or (iii) any other date specified as the "Final Additional Amount Reference Date" in the applicable Final Terms.

"Final Reference Date" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Fund Specified Date" has the meaning given in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*).

"Initial Value" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Initial Value_(i)" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Latest Reference Date" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"n" means, if the applicable Final Terms specify the Accrual Event to be:

- (i) "Accrual Event (Single Asset)", in respect of each Additional Amount Payment Date and the Accrual Period immediately preceding such Additional Amount Payment Date, the number of Accrual Trading Days that are not Disrupted Days for the Asset (or, if such Asset is a Fund Interest, that are not days on which a Fund Event has occurred or is continuing) in such Accrual Period on which an Accrual Event has occurred;
- (ii) "Accrual Event (Basket)" or "Accrual Event (Worst of Basket)", in respect of each Additional Amount Payment Date and the Accrual Period immediately preceding such Additional Amount Payment Date, the number of Accrual Common Trading Days that are not Disrupted Days for any Asset in an Asset Basket (and, if such an Asset Basket includes one or more Fund Interests, that are not days on which a Fund Event has occurred or is continuing in respect of any Fund Interest in the Asset Basket) in such Accrual Period on which an Accrual Event has occurred.

"N" means, if the applicable Final Terms specify the Accrual Event to be:

- (i) "Accrual Event (Single Asset)", in respect of each Additional Amount Payment Date and the Accrual Period immediately preceding such Additional Amount Payment Date, the total number of Accrual Trading Days that are not Disrupted Days for the Asset (or, if such Asset is a Fund Interest, that are not days on which a Fund Event has occurred or is continuing) in such Accrual Period;
- (ii) "Accrual Event (Basket)" or "Accrual Event (Worst of Basket)", in respect of each Additional Amount Payment Date and the Accrual Period immediately preceding such Additional Amount Payment Date, the total number of Accrual Common Trading Days that are not Disrupted Days for any Asset in an Asset Basket (and, if such an Asset Basket includes one or more Fund Interests, that are not days on which a Fund Event has occurred or is continuing in respect of any Fund Interest in the Asset Basket) in such Accrual Period.

"Notional Amount per W&C Instrument" means an amount specified in the applicable Final Terms.

"Previous Actual Additional Amount Payment Date" means, in respect of each Additional Amount Payment Date, the first Additional Amount Payment Date preceding such Additional Amount Payment Date in respect of which an Additional Amount Event has occurred on the Additional Amount Reference Date scheduled to fall immediately prior to such Additional Amount Payment Date.

"Reference Amount" means an amount specified in the applicable Final Terms.

"Scheduled Trading Day" in respect of:

- (i) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);

- (ii) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (iii) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"**Settlement Date**" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"**Specified Additional Amount**" means the amount specified as such in the applicable Final Terms.

"**Weight_(i)**" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

"**Worst Performing Asset**" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

5. Other Definitions

For the purposes of the W&C Instruments Product Conditions, the following terms have the following meanings:

"**Accrual Period (Additional Amount)**" means the number of days in the relevant period from (and including) the most recent Additional Amount Payment Date (or, if none, the Additional Amount Commencement Date) to (but excluding) the relevant payment date.

"**Adjusted Final Asset Valuation Date**" means, in respect of an Asset, the Final Asset Valuation Date in respect of such Asset, after all adjustments, if any, pursuant to the applicable Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"**Adjusted Initial Asset Valuation Date**" means, in respect of an Asset, Initial Asset Valuation Date in respect of such Asset, after all adjustments, if any, pursuant to the applicable Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"**Asset**" means an Index, a Share, a Fund Share or a Fund Interest, as specified in the applicable Final Terms (collectively, the "**Assets**").

"**Asset_(i)**" means each Asset in an Asset Basket.

"**Asset Basket**" means: (a) a Basket of Indices; or (b) a Basket of Shares; or (c) a Basket of Funds; or (d) a Basket of Hybrid Assets, each, as specified in the applicable Final Terms.

"**Asset Closing Value**" means, in respect of any relevant date and:

- (a) an Index, the Index Closing Level of the Index on such date;
- (b) a Share, the Share Closing Price of the Share on such date;
- (c) a Fund Share, the Fund Share Closing Price of the Fund Share on such date; and
- (d) a Fund Interest, the Relevant Price of the Fund Interest on such date.

"**Asset Performance**" means, in respect of an Asset and any relevant date, an amount (expressed as a percentage) calculated by dividing (a) the Asset Closing Value of such Asset on such date, by (b) the Initial Value of such Asset.

"**Asset Basket Performance**" means, in respect of an Asset_(i) and a relevant date (j), an amount (expressed as a percentage) calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Weight}_{(i)} \times \frac{\text{Asset Closing Value}_{(i,j)}}{\text{Initial Value}_{(i)}}$$

Where:

"Asset Closing Value_(i,j)" means the Asset Closing Value of Asset_(i) in respect of the relevant date (j).

"Weight_(i)" means the amount specified as such in the applicable Final Terms in respect of Asset_(i).

"Averaging Date" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);
- (d) a Fund Interest, has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*); and
- (e) a Hybrid Asset, has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

"Base Currency" means the currency specified as such in the applicable Final Terms.

"Basket of Funds" has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Basket of Hybrid Assets" has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

"Basket of Indices" has the meaning given to it in Index Linked Condition 2 (*Definitions*).

"Basket of Shares" has the meaning given to it in Share Linked Condition 2 (*Definitions*).

"Business Day" has the meaning given in W&C Instruments Product Condition 5 (*Other Definitions*).

"Business Day Convention", in relation to any particular date, if any of the following expressions are specified in the applicable Final Terms, they shall have the following meanings in relation to any relevant day which is not a Business Day:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** means that the relevant date shall be postponed to 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;
- (c) **"Nearest"** means that the relevant date shall be the first preceding day that is a Business Day, if the relevant date would otherwise fall on a day other than a Sunday or a Monday, and will be the first following day that is a Business Day, if the relevant date would otherwise fall on a Sunday or a Monday;
- (d) **"Preceding Business Day Convention"** means that the relevant date will be the first preceding day that is a Business Day; and

- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

"Currency Price" means, in relation to each Instrument or Unit, as the case may be, in respect of each Subject Currency, an amount equal to the FX Specified Price appearing on the FX Price Source at or around the FX Valuation Time on the relevant date for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged).

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in the Conditions or the applicable Final Terms and:

- (a) if **"Actual/Actual (ISDA)"** or **"Actual/Actual"** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (c) if **"Actual/365 (Sterling)"** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Additional Amount Payment Date falling in a leap year, 366;
- (d) if **"Actual/360"** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (e) if **"30/360 (ICMA)"** is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Additional Amount Payment Date (or, if none, the Additional Amount Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (f) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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 of 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 of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 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;

- (g) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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 of 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 of 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; or

- (h) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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 of 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 of 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.

"Disrupted Day" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"ETF" has the meaning given to it in the Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Exchange Rate" means if the applicable Final Terms specify:

- (a) **"Currency Price"** to be applicable, in respect of any relevant day, the Currency Price, provided that if the Currency Price is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of the Exchange Rate, taking into consideration all available information as it in good faith deems relevant; or
- (b) **"Derived Exchange Rate"** to be applicable, in respect of any relevant day and each Subject Currency, an amount equal to the spot rate of exchange for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged), calculated as the quotient of (i) the Reference Currency/Subject Currency Price in respect of such day, divided by (ii) the Reference Currency/Base Currency Price in respect of such day, in each case, in respect of such day (and the amount resulting from such calculation will be rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards (or such other number of decimal places as specified in the applicable Final Terms)); or
- (c) **"Specified Rate"** to be applicable, in respect of any relevant day, as an amount equal to the (i) spot rate of exchange, or (ii) bid rate of exchange, or (iii) mid rate of exchange, or (iv) offer rate of exchange, as specified in the applicable Final Terms, appearing on the FX Price Source at or around the FX Valuation Time on such day (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged (such rate, the "Specified Rate")), provided that if the Specified Rate is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of the Specified Rate, taking into consideration all available information as it in good faith deems relevant.

"Exchange Rate Cut-Off Date" means, in respect of the FX Reference Date, the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the Settlement Date, provided that such date shall not fall prior to the original date on which such FX Reference Date was scheduled to fall.

"Exchange Rate Strike Date" means, in respect of an Exchange Rate, the FX Initial Reference Date, or if such day is not an FX Business Day, the first FX Business Day after such day.

"Exchange Rate Valuation Date" means the FX Reference Date, or, if such date is not a FX Business Day, the earlier to occur of (a) the next following FX Business Day, and (b) the Exchange Rate Cut-Off Date.

"Exercise Date" means, if the applicable Final Terms specify "Mandatory Early Exercise":

- (a) to be applicable, the earliest to occur of (i) the date specified as such in the applicable Final Terms, provided that if the applicable Final Terms specifies "Exercise Date is Business Day Adjusted" and such date is not a Business Day, such date shall be adjusted in accordance with the Exercise Date Business Day Convention specified in

the applicable Final Terms, (ii) the second Business Day immediately preceding the Settlement Date, and (iii) the Mandatory Early Exercise Date; or

- (b) to be not applicable, the earlier of (i) the date specified as such in the applicable Final Terms, and where the applicable Final Terms specifies "Exercise Date is Business Day Adjusted", then if the Exercise Date is not a Business Day, the Exercise Date shall be adjusted in accordance with the Exercise Date Business Day Convention specified in the applicable Final Terms and (ii) the second Business Day immediately preceding the Settlement Date.

"Exercise Date Business Day Convention" means the Business Day Convention specified as such in the applicable Final Terms.

"Final Asset Valuation Date" means, in respect of an Asset, any of the Valuation Date, the Last Valuation Date, the Observation Date, the Last Observation Date, the Last Averaging Date or any other date, as specified in the applicable Final Terms.

"Final Average Value" means, in respect of an Asset, the arithmetic mean of the Asset Closing Value of such Asset in respect of each Final Averaging Date, as determined by the Calculation Agent and subject to adjustment in accordance with the relevant Underlying Asset Conditions applicable to such Asset.

"Final Averaging Date" means, in respect of an Asset, each date specified in the applicable Final Terms as a Final Averaging Date, and where specified as an "Averaging Date" in the applicable Final Terms, subject to adjustment as an Averaging Date in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Final Closing Value" means, in respect of:

- (a) an Index, the Index Closing Level of such Index on the Final Reference Date, subject to adjustment in accordance with the Index Linked Conditions;
- (b) a Share, the Share Closing Price of such Share on the Final Reference Date, subject to adjustment in accordance with the Share Linked Conditions;
- (c) a Fund Share, the Fund Share Closing Price of such Fund Share on the Final Reference Date, subject to adjustment in accordance with the Fund Linked Conditions; and
- (d) a Fund Interest, the Relevant Price of such Fund Interest on the Final Reference Date, subject to adjustment in accordance with the Fund Linked Conditions.

"Final Reference Date" means, in respect of an Asset, a Valuation Date, an Observation Date, or any other date, in each case, specified as a "Final Reference Date" in the applicable Final Terms, and if such date (other than any Valuation Date or Observation Date specified as a "Final Reference Date") is specified as a "Valuation Date" or an "Observation Date" in the applicable Final Terms, such date will be subject to adjustment as a Valuation Date or an Observation Date (as the case may be) in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Fund Interest" has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*).

"Fund Share" has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Fund Share Closing Price" has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Fund Share Price" has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"FX Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), in each of the Specified Financial Centres specified in the applicable Final Terms.

"FX Final" means the Exchange Rate on the Exchange Rate Valuation Date.

"FX Initial" means the Exchange Rate on the Exchange Rate Strike Date.

"FX Initial Reference Date" means any of the following as specified in the applicable Final Terms: (a) the Adjusted Initial Asset Valuation Date, or (b) the Latest Reference Date in respect of the Initial Asset Valuation Date, or (c) such number of FX Business Days immediately following the Adjusted Initial Asset Valuation Date or following the Latest Reference Date in respect of the Initial Asset Valuation Date, or (d) any other date specified as the "FX Initial Reference Date" in the applicable Final Terms.

"FX Price Source(s)" means, in respect of a Currency Price or Specified Rate, the price source(s) specified in the applicable Final Terms for such Currency Price or Specified Rate, or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"FX Reference Date" means any of the following as specified in the applicable Final Terms: (a) the Adjusted Final Asset Valuation Date, or (b) the Latest Reference Date in respect of the Final Asset Valuation Date, or (c) such number of FX Business Days immediately following the Adjusted Final Asset Valuation Date or following the Latest Reference Date in respect of the Final Asset Valuation Date, or (d) any other date specified as the "FX Reference Date" in the applicable Final Terms.

"FX Specified Price" means any of the following prices (which must be a price published or announced by, or capable of being determined from information published or announced by, the relevant FX Price Source(s)) specified as such in the applicable Final Terms, being: (a) the spot rate of exchange, (b) the bid rate of exchange, (c) the mid rate of exchange or (d) the offer rate of exchange.

"FX Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Hybrid Asset" means each Share, Index, Fund Interest or Fund Share comprised in a Basket of Hybrid Assets (and collectively, the **"Hybrid Assets"**).

"Index" has the meaning given to it in Index Linked Condition 2 (*Definitions*).

"Index Closing Level" has the meaning given to it in Index Linked Condition 2 (*Definitions*).

"Index Level" has the meaning given to it in Index Linked Condition 2 (*Definitions*).

"Initial Asset Valuation Date" means, in respect of an Asset, any of the Strike Date, the Last Initial Averaging Date or any other date, as specified in the applicable Final Terms.

"Initial Average Value" means, in respect of an Asset, the arithmetic mean of the Asset Closing Value of such Asset in respect of each Initial Averaging Date, as determined by the Calculation Agent and subject to adjustment in accordance with the relevant Underlying Asset Conditions applicable to such Asset.

"Initial Averaging Date" means, in respect of an Asset, each date specified in the applicable Final Terms as an Initial Averaging Date, and where specified as an "Averaging Date" in the applicable Final Terms, subject to adjustment as an Averaging Date in accordance with the relevant Underlying Asset Conditions applicable to such Asset and the W&C Instruments Product Conditions, as applicable.

"Initial Closing Value" means, in respect of an Asset which is:

- (a) an Index, if the applicable Final Terms specify "Initial Index Closing Level" to be applicable, the Index Closing Level of such Index on the Strike Date, subject to adjustment in accordance with the Index Linked Conditions;
- (b) a Share, if the applicable Final Terms specify "Initial Share Closing Price" to be applicable, the Share Closing Price of such Share on the Strike Date, subject to adjustment in accordance with the Share Linked Conditions;
- (c) a Fund Share, if the applicable Final Terms specify "Initial Fund Share Closing Price" to be applicable, the Fund Share Closing Price of such Fund Share on the Strike Date, subject to adjustment in accordance with the Fund Linked Conditions; and
- (d) a Fund Interest, if the applicable Final Terms specify "Initial Relevant Price" to be applicable, the Relevant Price of such Fund Interest on the Strike Date, subject to adjustment in accordance with the Fund Linked Conditions,

and in each case, if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Asset.

"Initial Strike Value" means, in respect of an Asset which is:

- (a) an Index, if the applicable Final Terms specify:
 - (i) "Initial Index Level" to be applicable, the Index Level of such Index on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Index;
 - (ii) "Initial Index Strike Level" to be applicable, the relevant level of such Index specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Index;

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Index Linked Conditions;

- (b) a Share, if the applicable Final Terms specify:
 - (i) "Initial Share Price" to be applicable, the Share Price of such Share on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Share;
 - (ii) "Initial Share Strike Price" to be applicable, the relevant price of such Share specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Share,

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Share Linked Conditions;

- (c) a Fund Share, if the applicable Final Terms specify:
 - (i) "Initial Fund Share Price" to be applicable, the Fund Share Price of such Fund Share on the Strike Date, and if specified in the applicable Final Terms, being the amount specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Fund Share;
 - (ii) "Initial Fund Share Strike Price" to be applicable, the relevant price of such Fund Share specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Fund Share,

and in each case, as determined by the Calculation Agent and subject to adjustment in accordance with the Fund Linked Conditions;

- (d) a Fund Interest, the relevant price of such Fund Interest specified in the Underlying Asset(s) Information Table in the column entitled "Initial Value" in the row corresponding to such Fund Interest.

"Initial Value" means, in respect of an Asset, any of the following (i), (ii) or (iii), as specified in the applicable Final Terms: (i) Initial Closing Value, (ii) Initial Average Value or (iii) Initial Strike Value.

"Initial Value_(i)" means the Initial Value of Asset_(i).

"Last Averaging Date" means, in respect of an Asset, the Averaging Date for the Asset scheduled to fall on the date specified as the "Last Averaging Date" in the applicable Final Terms.

"Last Initial Averaging Date" means, in respect of an Asset, the Initial Averaging Date for the Asset scheduled to fall on the date specified as the "Last Initial Averaging Date" in the applicable Final Terms.

"Last Observation Date" means, in respect of an Asset, the Observation Date for the Asset scheduled to fall on the date specified as the "Last Observation Date" in the applicable Final Terms.

"Last Valuation Date" means, in respect of an Asset, the Valuation Date for the Asset scheduled to fall on the date specified as the "Last Valuation Date" in the applicable Final Terms.

"Latest Reference Date" means, in respect of:

- (a) an Asset Basket other than a Basket of Hybrid Assets or a basket of Fund Interests and any Accrual Period End Date, Additional Amount Reference Date, Final Asset Valuation Date, Initial Asset Valuation Date, Mandatory Early Exercise Reference Date, Observation Date, Valuation Date, as applicable (each, a "Reference Date"):
 - (i) if, as a result of the Reference Date not being a Scheduled Trading Day for one or more Assets or as a result of the occurrence of a Disrupted Day for one or more Assets, the Reference Date for two or more Assets falls on different dates, the date corresponding to the Reference Date which is the latest to occur, as determined by the Calculation Agent; or
 - (ii) if the Reference Date for all of the Assets falls on the same date (after adjustment, if any, for non-Scheduled Trading Days or Disrupted Days for such Assets), such same date corresponding to the Reference Date;
- (b) a Basket of Hybrid Assets and a Reference Date:
 - (i) if, as a result of the Reference Date not being a Common Trading Day for one or more Hybrid Assets or as a result of the occurrence of a Disrupted Day for one or more Hybrid Assets, the Reference Date for two or more Hybrid Assets falls on different dates, the date corresponding to the Reference Date which is the latest to occur, as determined by the Calculation Agent; or
 - (ii) if the Reference Date for all of the Hybrid Assets falls on the same date (after adjustment, if any, for non-Scheduled Trading Days or Disrupted Days for such Hybrid Assets), such same date corresponding to the Reference Date.
- (c) a basket of Fund Interests and a Reference Date:

- (i) if, as a result of the Reference Date not being a Fund Specified Date or as a result of the occurrence of a Fund Event for one or more Fund Interests, the Reference Date for two or more Fund Interests falls on different dates, the date corresponding to the Reference Date which is the latest to occur, as determined by the Calculation Agent; or
- (ii) if the Reference Date for all of the Fund Interests falls on the same date (after adjustment, if any, for non-Fund Specified Dates or Fund Events for such Fund Interests, such same date corresponding to the Reference Date.

"Observation Date" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);
- (d) a Fund Interest, has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*); and
- (e) a Hybrid Asset, has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

"RC/BC Price Source" means, in respect of a Reference Currency/Base Currency Price, the price source(s) specified in the applicable Final Terms for such Reference Currency/Base Currency Price, or if the relevant rate is not published or announced by such RC/BC Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"RC/BC Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"RC/SC Price Source" means, in respect of a Reference Currency/Subject Currency Price, the price source(s) specified in the applicable Final Terms for such Reference Currency/Subject Currency Price, or if the relevant rate is not published or announced by such RC/SC Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"RC/SC Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Reference Currency" means the currency specified as such in the applicable Final Terms.

"Reference Currency/Base Currency Price" means, in respect of each Base Currency, an amount equal to the spot rate of exchange appearing on the RC/BC Price Source at the RC/BC Valuation Time on the relevant day for the exchange of such Base Currency into the Reference Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the RC/BC Price Source at the RC/BC Valuation Time on such day, the Calculation Agent shall determine the Reference Currency/Base Currency Price, taking into consideration all available information as it in good faith deems relevant. The "Reference Currency/Base Currency Price" shall be deemed to be a "Currency Price" for the purposes of these Product Conditions.

"Reference Currency/Subject Currency Price" means, in respect of each Subject Currency, an amount equal to the spot rate of exchange appearing on the RC/SC Price Source at the RC/SC Valuation Time on the relevant day for the exchange of such Subject Currency into the Reference Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the RC/SC Price Source at the RC/SC Valuation Time on such day, the

Calculation Agent shall determine the Reference Currency/Subject Currency Price, taking into consideration all available information as it in good faith deems relevant. The "Reference Currency/Subject Currency Price" shall be deemed to be a "Currency Price" for the purposes of these Product Conditions.

"Relevant Price" has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*).

"Scheduled Trading Day" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Settlement Currency" means the currency specified in the applicable Final Terms.

"Settlement Date" means, if the applicable Final Terms specify "Mandatory Early Exercise":

- (a) to be applicable, if (i) a Mandatory Early Exercise Event occurs on any Mandatory Early Exercise Reference Date, the Settlement Date shall be the Mandatory Early Exercise Cash Settlement Date; or (ii) a Mandatory Early Exercise Event does not occur on any Mandatory Early Exercise Reference Date, the Settlement Date shall be the date specified as such in the applicable Final Terms, subject to W&C Instruments Condition 6(B) (*Payment Day*); or
- (b) to be not applicable, the date specified as such in the applicable Final Terms, subject to W&C Instruments Condition 6(B) (*Payment Day*).

"Share" has the meaning given to it in Share Linked Condition 2 (*Definitions*).

"Share Closing Price" has the meaning given to it in Share Linked Condition 2 (*Definitions*).

"Share Price" has the meaning given to it in Share Linked Condition 2 (*Definitions*).

"Specified Financial Centre(s)" means the financial centre(s) specified in the applicable Final Terms, provided that if the Specified Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Business Day shall also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system or any successor thereto is open.

"Subject Currency" means the currency specified as such in the applicable Final Terms.

"Strike Date" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);
- (d) a Fund Interest, has the meaning given to it Fund Linked Condition 3 (*Definition (Funds other than Exchange Traded Funds)*); and
- (e) a Hybrid Asset, has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

"Trade Date" means the date specified as such in the applicable Final Terms, provided that if "Following Business Day Adjustment" is specified in the applicable Final Terms and such day

is not a Business Day, the Trade Date shall be the immediately succeeding Business Day after such day.

"Underlying Asset Conditions" has the meaning given to it in the W&C Instruments Conditions.

"Underlying Asset(s) Information Table" means the table set out under "Specific Information relating to the Underlying Asset(s)" in the applicable Final Terms.

"Valuation Date" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);
- (d) a Fund Interest, has the meaning given to it in Fund Linked Condition 3 (*Definition (Funds other than Exchange Traded Funds)*); and
- (e) a Hybrid Asset, has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

"Worst Performing Asset" means, in respect of an Asset Basket and any relevant day, the Asset in the Asset Basket with the lower or lowest Asset Performance on such day as determined by the Calculation Agent (provided that if two or more Assets have the same lowest Asset Performance on such day, the Calculation Agent shall determine which of such Assets shall be the Worst Performing Asset for such day in its sole and absolute discretion, and such Asset shall be the Worst Performing Asset for such day).

Part 3

Additional Terms and Conditions for Low Exercise Price Warrants

1. Application and Interpretation

(a) Application to Share Linked W&C Instruments

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to the relevant Share Linked W&C Instruments shall comprise the terms and conditions of the W&C Instruments (the "**W&C Instruments Conditions**"), the additional terms and conditions for share linked instruments (the "**Share Linked Conditions**") and the additional terms and conditions for low exercise price warrants set out below (the "**LEPW Conditions**"). In the event of any inconsistency between (i) the W&C Instruments Conditions or the Share Linked Conditions and (ii) the LEPW Conditions, the LEPW Conditions shall prevail.

(b) Application to Index Linked W&C Instruments

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to the relevant Index Linked W&C Instruments shall comprise the W&C Instruments Conditions, the additional terms and conditions for index linked instruments (the "**Index Linked Conditions**") and the LEPW Conditions. In the event of any inconsistency between (i) the W&C Instruments Conditions or the Index Linked Conditions and (ii) the LEPW Conditions, the LEPW Conditions shall prevail.

(c) Interpretation

Words and expressions used but not otherwise defined in these LEPW Conditions shall have the meanings given to them in the W&C Instruments Conditions, the relevant Index Linked Conditions or the relevant Share Linked Conditions.

2. Definitions

For the purposes of these LEPW Conditions:

"Actual Exercise Date" has the meaning given to it in the W&C Instruments Conditions.

"Additional Amount" means, in respect of the Share and a Relevant Cash Dividend, an amount calculated by the Calculation Agent as:

- (a) an amount equal to the difference between (a)(I) the aggregate of 100 per cent. (100%) of the Relevant Cash Dividend per Share that would have been received by a Hypothetical Broker Dealer as the holder of one Share, divided by (II) the relevant Exchange Rate on or around the date on which such Relevant Cash Dividend would have been received by a Hypothetical Broker Dealer from the relevant Share Company, minus (b) any Dividend Taxes or if the applicable Final Terms specify "*Dividend Taxes (PRC) Deduction*" to be applicable, any Dividend Taxes (PRC)); multiplied by
- (b) the Number of Shares per Warrant.

"Additional Amount Payment Date" means in respect of each Additional Amount, the fifth Business Day following the date on which the corresponding Relevant Cash Dividend would have been received, from the relevant Share Company by a Hypothetical Broker Dealer as the holder of the relevant Share or such other date(s) specified as such in the applicable Final Terms.

"Applicable Hedge Positions" means, in respect of: (i) any Share Linked W&C Instruments, the number of Shares equal to the number of W&C Instruments exercised on the relevant Actual Exercise Date multiplied by the Ratio, and (ii) any Index Linked W&C Instruments, the Related Hedging Arrangements.

"Business Day Convention", in relation to any particular date, if any of the following expressions are specified in the applicable Final Terms, they shall have the following meanings in relation to any relevant day which is not a Business Day:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** means that the relevant date shall be postponed to 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;
- (c) **"Nearest"** means that the relevant date shall be the first preceding day that is a Business Day, if the relevant date would otherwise fall on a day other than a Sunday or a Monday, and will be the first following day that is a Business Day, if the relevant date would otherwise fall on a Sunday or a Monday;
- (d) **"Preceding Business Day Convention"** means that the relevant date will be the first preceding day that is a Business Day; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

"Cost" means, as determined by the Calculation Agent in its sole discretion, as attributed to each W&C Instrument, any brokerage commissions, stock exchange or clearing system charges or other similar charges that, directly or indirectly, would have been incurred by a Hypothetical Broker Dealer in connection with (i) the exercise of the W&C Instruments and payments in respect thereof as if such Hypothetical Broker Dealer were the issuer of the W&C Instruments; or (ii) the acquisition, holding, realisation or disposal of the Applicable Hedge Positions or any Related Hedging Arrangements as if such Hypothetical Broker Dealer were a holder of or party to the Applicable Hedge Positions or such Related Hedging Arrangements.

"Dividend Period" means, in respect of the Share:

- (a) American Style Warrants, the period commencing on, but excluding, the Trade Date and ending on, and including, the last day of the Exercise Period or the Actual Exercise Date (if earlier) applicable to a W&C Instrument; or
- (b) European Style Warrants, the period commencing on, but excluding, the Trade Date and ending on, and including, the Exercise Date.

"Dividend Taxes" means, in respect of the Share and a Relevant Cash Dividend, any amounts that would have been withheld for or on account of tax if such cash dividend were paid to a Hypothetical Broker Dealer as the holder of one Share, and excluding any reduction of such tax that would have been available to a Hypothetical Broker Dealer pursuant to a double tax treaty or any other applicable domestic exemption, where each such tax is converted into the Settlement Currency using the relevant Exchange Rate on or around the date on which such tax is due, as determined by the Calculation Agent.

"Dividend Taxes (PRC)" means, in respect of the Share and a Relevant Cash Dividend, any amounts that would have been or could have been withheld, or otherwise incurred or paid by a Hypothetical Broker Dealer, for or on account of tax if such cash dividend were paid to a Hypothetical Broker Dealer as the holder of one Share, and excluding any reduction of such tax that would have been available to a Hypothetical Broker Dealer pursuant to a double tax treaty or any other applicable domestic exemption, where each such tax is converted into the Settlement Currency using the relevant Exchange Rate on or around the date on which such tax is due, as determined by the Calculation Agent.

"Ex-Dividend Date" means, in respect of the Share and a Gross Cash Dividend in respect of such Share, the date that the Share commences trading ex-dividend in respect of such Gross Cash Dividend on the Exchange, as determined by the Calculation Agent.

"Exchange" in respect of: (a) Index Linked W&C Instruments, has the meaning given to it in Index Linked Condition 2 (*Definitions*) or (b) Share Linked W&C Instruments, has the meaning given to it in Share Linked Condition 2 (*Definitions*), provided that where "Pre-IPO Share" is specified as applicable in the applicable Final Terms, then "Exchange" means, in relation to a Share and as of any time from, and including, the Listing Date, each exchange or quotation system specified as such for such Share in the applicable Final Terms, or any other exchange or quotation system as selected by the Issuer in its absolute discretion and notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*) or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Rate" means Exchange Rate 1 or Exchange Rate 2, as specified in the applicable Final Terms.

"Exchange Rate 1" means, in respect of any relevant date, the prevailing rate of exchange on such date in the non-deliverable foreign exchange market for converting the Local Currency into the Settlement Currency (expressed as the number of units (or part units) of the Local Currency for which one unit of the Settlement Currency can be exchanged on a present value basis) (the **"NDF Rate"**), as quoted by a leading dealer in such non-deliverable foreign exchange market, as determined by the Calculation Agent. If no quotation of the NDF Rate is provided as requested in respect of any relevant date, the Calculation Agent shall determine the value of the Exchange Rate 1, taking into consideration all available information as it in good faith deems relevant.

"Exchange Rate 2" means, in respect of any relevant date, an amount equal to the (a) spot rate of exchange, or (b) bid rate of exchange, or (c) mid rate of exchange, or (d) offer rate of exchange, as specified in the applicable Final Terms, appearing on the FX Price Source at or around the FX Valuation Time on such day (expressed as the number of units (or part units) of the Local Currency for which one unit of the Settlement Currency can be exchanged (such rate, the **"Specified Rate"**), provided that if the Specified Rate is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of the Exchange Rate 2, taking into consideration all available information as it in good faith deems relevant.

"Exercise Period Start Date" means the Tranche 1 Issue Date or the Listing Date as specified in the applicable Final Terms.

"EXP" means, in respect of any W&C Instrument, the total number of calendar days falling in the period commencing on, but excluding, the Trade Date and ending on, and including, the Actual Exercise Date for such W&C Instrument.

"Final Execution Period" means, in respect of any W&C Instrument, the period commencing on, and including, the Actual Exercise Date for such W&C Instrument and ending on, and including, the earliest date by which a Hypothetical Broker Dealer could acquire or dispose of the entirety of its Applicable Hedge Positions in a commercially reasonable manner (such date, the **"Final Execution Date"**).

"FX Price Source" means, in respect of a Specified Rate, the price source(s) specified in the applicable Final Terms for such Specified Rate, or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"FX Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Gross Cash Dividend" means, in respect of the Share, each sum declared by the relevant Share Company as a dividend for one such Share before the withholding or deduction of taxes at the source by or on behalf of any applicable authority having power to tax in respect of such

a dividend, and shall exclude any imputation or other credits, refunds or deductions granted by any applicable authority having power to tax in respect of such dividend and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon.

"Hypothetical Broker Dealer" means a hypothetical broker dealer subject to the same securities laws and rules and regulations of any securities regulators, exchanges and self-regulating organisations as applicable to the Issuer or any of its Affiliates designated by the Issuer provided, however, that such hypothetical broker dealer is deemed not entitled to any benefit, exemption or reduction in Tax pursuant to any double tax treaty, application of netting or otherwise.

"IN" means the Issue Price as specified in the applicable Final Terms.

"Listing Date" means, in respect of a Share, the first date, as determined by the Calculation Agent, on which such Share is listed on the official list of the relevant Exchange.

"Local Costs" means, as determined by the Calculation Agent, the quotient of (a) any brokerage commissions, stock exchange or clearing system charges or other similar charges that would have been incurred by the Hypothetical Broker Dealer in connection with (i) the exercise of the W&C Instruments and payments in respect thereof (as if the Hypothetical Broker Dealer were the issuer of the W&C Instruments), and (ii) the acquisition, holding or disposal of the Applicable Hedge Positions, divided by (b) the Applicable Hedge Positions.

"Local Costs (Share Closing Price)" means, as determined by the Calculation Agent, the quotient of (a) any brokerage commissions, stock exchange or clearing system charges or other similar charges actually incurred by the Issuer or any of its Affiliates in connection with (i) the exercise of the W&C Instruments and payments in respect thereof, and (ii) the acquisition, holding or disposal of the Applicable Hedge Positions, divided by (b) the Applicable Hedge Positions.

"Local Currency" means the currency specified as such in the applicable Final Terms.

"Max" followed by a series of amounts inside brackets means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Multiplier" means an amount specified as such in the applicable Final Terms, provided that if the applicable Final Terms specify "Multiplier" to be not applicable, then "Multiplier" shall be deemed to have a value of one (1).

"Number of Shares per Warrant" means the amount specified as such in the applicable Final Terms.

"Number of Settlement Business Days" means five Business Days or such other number of Business Days as specified in the applicable Final Terms.

"Original Scheduled Expiration Date" means the date specified in the applicable Final Terms.

"PRC" means the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

"PRC Taxes" means, as determined by the Calculation Agent in its sole discretion, having regard to any relevant tax that the Issuer or its Affiliates could be assessed or could incur, based on professional tax advice provided to the Calculation Agent at any time, as attributed to each W&C Instrument, the gross amount of any tax (including any transfer, registration, stamp duty, capital gain taxes, value added taxes, business taxes or similar taxes), levy, impost, duty, charge, assessment or fee of any nature (including interests, penalties and additions thereon) imposed by a Taxing Authority in the PRC that a Hypothetical Broker Dealer could be assessed or could incur at any time in connection with (a) the exercise of the W&C Instruments and payments in respect thereof as if the Hypothetical Broker Dealer were the issuer of the W&C Instruments; or (b) the acquisition, holding, realisation or disposal of the Applicable Hedge Positions.

"PRC Taxes (Share Closing Price)" means, as determined by the Calculation Agent in its sole discretion, having regard to any professional tax advice provided to the Calculation Agent at any time, as attributed to each W&C Instrument, the gross amount of any tax (including any transfer, registration, stamp duty, capital gain taxes, value added taxes, business taxes or similar taxes), levy, impost, duty, charge, assessment or fee of any nature (including interests, penalties and additions thereon) imposed by a Taxing Authority in the PRC that the Issuer or its Affiliates could be assessed or could incur at any time in connection with (a) the exercise of the W&C Instruments and payments in respect thereof; or (b) the acquisition, holding, realisation or disposal of the Applicable Hedge Positions.

"Rate" means an amount specified in the Final Terms, provided that where "Rate" is specified as "Not Applicable" in the applicable Final Terms, "Rate" shall be deemed to be equal to zero.

"Ratio" means an amount specified in the applicable Final Terms, subject to adjustment in accordance with the Share Linked Conditions.

"Record Date" means, in respect of any determination pursuant to Share Linked Condition 5(a) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) as amended by LEPW Condition 5 (*Additional Consequences of Potential Adjustment Events*), or LEPW Condition 13 (*Additional Consequences of Potential Adjustment Events*) as applicable, such date as determined by the Calculation Agent in its sole and absolute discretion.

"Related Exchange" in respect of: (a) Index Linked W&C Instruments, has the meaning given to it in Index Linked Condition 2 (*Definitions*) or (b) Share Linked W&C Instruments, has the meaning given to it in Share Linked Condition 2 (*Definitions*), provided that where "Pre-IPO Share" is specified as applicable in the applicable Final Terms, then **"Related Exchange"** means, in relation to a Share and as of any time from, and including, the Listing Date, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean in relation to such Share and as of any time from, and including, the Listing Date, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

"Related Hedging Arrangements" means any one or more positions or contracts in securities, options, futures, derivatives, foreign exchange or other instruments or arrangements (howsoever described) that the Calculation Agent determines, in its sole discretion, a Hypothetical Broker Dealer, directly or indirectly, could purchase, sell, maintain or enter into with or through any person in order to hedge, individually or on a portfolio basis, the W&C Instruments. In making such determination, the Calculation Agent may have regard to any positions, contracts or other instruments or arrangements (howsoever described) that the Issuer or its Affiliates has entered into with any person (including the Issuer's Affiliates) in order to hedge, individually or on a portfolio basis, the obligations in respect of the W&C Instruments.

"Relevant Cash Dividend" means in respect of the Share, a Gross Cash Dividend per Share as declared by the relevant Share Company where the Ex-Dividend Date falls within the Dividend Period and the full payment in cash in respect of such Gross Cash Dividend would have been made to a Hypothetical Broker Dealer as the holder of one Share within the Dividend Period, as determined by the Calculation Agent.

"Relevant Share Price" means, where the Settlement Price specified in the applicable Final Terms is (a) "Settlement Price (Effective Price 2)", the price that, directly or indirectly, would have been realised by a Hypothetical Broker Dealer, acting in a commercially reasonable manner, in acquiring, realising or disposing of the Applicable Hedge Positions on any relevant

day, or (b) "Settlement Price (Share Closing Price 2)", the Share Closing Price of the Share on the Valuation Date for a W&C Instrument.

"Scheduled Expiration Date" means the Original Scheduled Expiration Date, or such later date as determined by the Issuer in its sole and absolute discretion and notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*) no later than the fifth Business Day prior to the Original Scheduled Expiration Date, provided that such later date shall not fall later than the Scheduled Expiration Cut-Off Date and, notwithstanding the foregoing, the Issuer shall have no obligation to extend the Original Scheduled Expiration Date.

"Scheduled Expiration Cut-Off Date" means the date specified in the applicable Final Terms.

"Scheduled Settlement Date" means the date specified as such in the applicable Final Terms.

"Settlement Business Day Convention" means the Business Day Convention specified as such in the applicable Final Terms.

"Settlement Currency" means the currency specified as such in the applicable Final Terms.

"Settlement Price" or **"STMP"** means the Settlement Price (Effective Price 1) or Settlement Price (Effective Price 2) or Settlement Price (Index Closing Level) or Settlement Price (Share Closing Price 1) or Settlement Price (Share Closing Price 2), as specified in the applicable Final Terms.

"Settlement Price (Effective Price 1)" means the effective price per Share determined by the Calculation Agent equal to the price that, directly or indirectly, would have been realised by a Hypothetical Broker Dealer, acting in a commercially reasonable manner, in acquiring, realising or disposing of the Applicable Hedge Positions on the Actual Exercise Date or during the Final Execution Period (if the Calculation Agent determines that it would have been necessary for such Hypothetical Broker Dealer to acquire, realise or dispose of the Applicable Hedge Positions during such Final Execution Period, rather than on the Actual Exercise Date only, in order to achieve such acquisition, realisation or disposal in a commercially reasonable manner) (such day, or if more than one, each such day a **"Transaction Date"**) less any Cost and Tax and converted to the Settlement Currency (i) where there is one Transaction Date, at the Exchange Rate in respect of such Transaction Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), or (ii) where there is more than one Transaction Date, for each amount realised in respect of each such Transaction Date, at the Exchange Rate in respect of such Transaction Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner).

"Settlement Price (Effective Price 2)" means the effective price per Share determined by the Calculation Agent equal to the Relevant Share Price on the Actual Exercise Date or during the Final Execution Period (if the Calculation Agent determines that it would have been necessary for the Hypothetical Broker Dealer to acquire, realise or dispose of the Applicable Hedge Positions during such Final Execution Period, rather than on the Actual Exercise Date only, in order to achieve such acquisition, realisation or disposal in a commercially reasonable manner) (such day, or if more than one, each such day a **"Transaction Date"**) less any Local Costs and PRC Taxes and the resultant amount converted to the Settlement Currency (i) where there is one Transaction Date, at the Exchange Rate in respect of such Transaction Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner), or (ii) where there is more than one Transaction Date, for each amount realised in respect of each such Transaction Date, at the Exchange Rate in respect of such Transaction Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner).

"Settlement Price (Index Closing Level)" means, in respect of any W&C Instrument, the Index Closing Level of the Index on the Valuation Date for such W&C Instrument less any Cost and Tax.

"Settlement Price (Share Closing Price 1)" means, in respect of each W&C Instrument and the Valuation Date for such W&C Instrument, the Share Closing Price of the Share on the Valuation Date for such W&C Instrument less any Cost and Tax and the resultant amount converted to the Settlement Currency at the Exchange Rate in respect of the Valuation Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner).

"Settlement Price (Share Closing Price 2)" means, in respect of each W&C Instrument and the Valuation Date for such W&C Instrument, the Relevant Share Price for such W&C Instrument less any Local Costs (Share Closing Price) and PRC Taxes (Share Closing Price), and the resultant amount converted to the Settlement Currency at the Exchange Rate in respect of the Valuation Date (or such other day as the Calculation Agent deems relevant, in its sole and absolute discretion acting in good faith and in a commercially reasonable manner).

"Strike Price" or **"STXP"** means the Exercise Price as specified in the applicable Final Terms.

"Tax" means, as determined by the Calculation Agent in its sole discretion, having regard to any relevant tax that the Issuer or its Affiliates could be assessed or could incur, based on professional tax advice provided to the Calculation Agent at any time, as attributed to each W&C Instrument, the gross amount of any tax (including any transfer, registration, stamp duty or capital gain taxes), levy, impost, duty, charge, assessment or fee of any nature (including interests, penalties and additions thereon) imposed by a Taxing Authority that a Hypothetical Broker Dealer, directly or indirectly, could be assessed or could incur at any time in connection with (a) the exercise of the W&C Instruments and payments in respect thereof as if the Hypothetical Broker Dealer were the issuer of the W&C Instruments; or (b) the acquisition, holding, realisation or disposal of the Applicable Hedge Positions or any Related Hedging Arrangements as if the Hypothetical Broker Dealer were a holder of or party to the Applicable Hedge Positions or such Related Hedging Arrangements.

"Taxing Authority" means a governmental, regulatory or other authority having the power to tax.

"Trade Date" means the date specified as such in the applicable Final Terms, provided that if "Following Business Day Adjustment" is specified in the applicable Final Terms and such day is not a Business Day, the Trade Date shall be the immediately succeeding Business Day after such day.

"Tranche 1 Issue Date" means the date specified in the applicable Final Terms (being the issue date of the first tranche of the relevant Series of W&C Instruments).

"Valuation Date" means, in respect of each W&C Instrument, the Actual Exercise Date in respect of such W&C Instrument and if such day is a Disrupted Day, subject to adjustment as a "Valuation Date" in accordance with:

- (a) Index Linked Conditions in the case of Index Linked W&C Instruments; or
- (b) Share Linked Conditions in the case of Share Linked W&C Instruments.

3. **Cash Settlement Amount**

The Cash Settlement Amount payable on the Settlement Date in respect of each W&C Instrument shall be determined in accordance with the applicable paragraph below:

- (a) If "Out-performance" is specified to be applicable in the applicable Final Terms, the Cash Settlement Amount shall be an amount in the Settlement Currency calculated by the Calculation Agent in accordance with the following formula:

$$\text{Max} \left\{ 0; \left[(\text{STMP} - \text{STXP}) + \left(\text{Rate} \times \text{IN} \times \frac{\text{EXP}}{365} \right) \right] \right\}$$

- (b) If "Out-performance" is specified as not applicable in the applicable Final Terms, the Cash Settlement Amount shall be an amount in the Settlement Currency calculated by the Calculation Agent in accordance with the following formula:

$$\text{Max} [0; (\text{STMP} - \text{STXP})] \times \text{Multiplier}$$

4. Additional Amounts

In respect of any Share Linked W&C Instruments, unless previously exercised or purchased and cancelled, the Issuer shall pay to the Holder of each Share Linked W&C Instrument the Additional Amount in respect of such Share Linked W&C Instrument on each Additional Amount Payment Date (and W&C Instruments Product Condition 4.2 (*Payment of Additional Amounts*) shall be deemed to apply to such Share Linked W&C Instrument).

5. Additional Consequences of Potential Adjustment Events

- (a) In respect of any Share Linked W&C Instruments, Share Linked Condition 5 (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) shall apply, as amended by paragraphs 5(b) to 5(h) below.
- (b) Share Linked Condition 5(a)(2) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) beginning with the words "Following the declaration..." shall be deemed to be deleted and replaced with the following Share Linked Condition 5(a)(2):

"(a)(2) Following the declaration by the relevant Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical or market value of the Share and, if so, the Calculation Agent may, in its sole and absolute discretion, take any one or more of the following actions:

- (i) (A) make the corresponding adjustment(s), if any, to any one or more of the terms of the Terms and Conditions of the W&C Instruments and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share), and (B) determine the effective date(s) of such adjustment(s). The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange; and/or
- (ii) determine that the Issuer shall issue to Holders of the Warrants as of the Record Date additional Warrants or new warrants linked to the relevant Shares, at such cost, if any, to such Holders, on such terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect, subject at all times to the agreement of the Issuer and the ability of the Issuer to issue and distribute such additional Warrants or such new warrants; and/or
- (iii) determine that the Issuer shall issue to Holders of the Warrants as of the Record Date new warrants linked to the share capital or other securities of another company created as a result of a spin-off or other similar transaction relating to the relevant Share Company, on such terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect, subject at all times to the agreement of the Issuer and the ability of the Issuer and such Holders respectively to issue and hold such new warrants; and/or

- (iv) determine, subject at all times to the agreement of the Issuer, that the Issuer shall distribute a cash amount to Holders of the Warrants as of the Record Date, on such terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect."
- (c) The definition of "Local Taxes" in Share Linked Condition 5(a)(3) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) shall be deemed to be deleted and replaced with the following definition:

"Local Taxes" shall mean taxes, duties, and similar charges imposed by or could be imposed by the taxing authority of the Local Jurisdiction.
- (d) Share Linked Condition 5(a)(4) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) beginning with the words "Upon the making of..." shall be deemed to be deleted and replaced with the following Share Linked Condition 5(a)(4):

"(a)(4) Upon making any determination under Share Linked Condition 5(a)(2), the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with W&C Instruments Condition 12 (*Notices*), giving brief details of the Potential Adjustment Event and stating the action proposed to be taken in relation thereto, and:

 - (i) in respect of a determination pursuant to Share Linked Condition 5(a)(2)(i), the adjustment to any one or more of the terms of the Terms and Conditions of the W&C Instruments and/or the applicable Final Terms;
 - (ii) in respect of a determination pursuant to Share Linked Condition 5(a)(2)(ii):
 - (A) the Record Date;
 - (B) the number of additional Warrants or new warrants to which the Holder of each W&C Instrument is entitled or the number of additional Warrants or new warrants which the Holder of each W&C Instrument is entitled to purchase, as the case may be;
 - (C) if any subscription monies, fees and/or charges are payable, the date on or prior to which such subscription monies, fees and/or charges, as the case may be, must be paid to the Issuer by the Holder of each W&C Instrument in order to purchase additional Warrants or new warrants, if any;
 - (D) the amount of such subscription monies, fees and/or charges payable by the Holder of each W&C Instrument in order to purchase additional Warrants or new warrants, if any;
 - (E) the date on or prior to which the Holder of each W&C Instrument must notify the Principal Warrant Agent and Merrill Lynch International that it wishes to purchase any additional Warrants or new warrants, if applicable; and
 - (F) the account of the Issuer with the Clearing System to be credited with the amount payable by the Holders (if any);
 - (iii) in respect of a determination pursuant to Share Linked Condition 5(a)(2)(iii), the Record Date and the number of new warrants to which the Holder of each W&C Instrument is entitled; and
 - (iv) in respect of a determination pursuant to Share Linked Condition 5(a)(2)(iv), the Record Date and amount payable to the Holder of each W&C Instrument,

provided that (y) if a combination of the consequences specified in Share Linked Condition 5(a)(2) are determined by the Calculation Agent to apply, such notice shall state and set out the relevant information applicable to each applicable consequence, and (z) any failure to give, or the non-receipt of, such notice will not affect the validity of the Potential Adjustment Event or any action taken as a consequence of such Potential Adjustment Event."

- (e) In the case of an issue of additional Warrants or new warrants, as the case may be, to Holders pursuant to Share Linked Condition 5(a)(2)(ii) (as amended by paragraph 5(b) above) in respect of which any subscription monies, fees and/or charges are payable, no Holder shall be entitled to receive any additional Warrants or new warrants (and the Issuer shall not be obliged to issue additional Warrants or new warrants to any Holder) unless:
 - (i) each of the Principal Warrant Agent and Merrill Lynch International has received notice from a relevant Holder that it wishes to purchase such additional Warrants or such new warrants (a "**Notice of Purchase of Additional Warrants**") on or prior to the date specified in the relevant notice from the Calculation Agent pursuant to Share Linked Condition 5(a)(4)(ii) (as amended by paragraph 5(d) above). Such Notice of Purchase of Additional Warrants shall be given by sending an authenticated instruction by SWIFT message or by any other authorised communication channel, in accordance with the rules and operating procedures of, and in such manner as is acceptable to, Euroclear and/or Clearstream, Luxembourg, as the case may be (in consultation with the Principal Warrant Agent and, in the case of Euroclear/CBL Global Registered Warrants, the Registrar), and which shall include the information set out in Schedule 7 Part 7 to the Agency Agreement (copies of which may be obtained from the Principal Warrant Agent); and
 - (ii) the Issuer has received payment of the subscription monies on or prior to the date specified in the relevant notice.

For the avoidance of doubt, no Holder shall be obliged to purchase any additional Warrants or new warrants referred to in Share Linked Condition 5(a)(2)(ii) (as amended by paragraph 5(b) above). However, if such additional Warrants or such new warrants are not purchased by the Holder of any W&C Instrument in accordance with the above provisions, the Issuer shall have no further obligation to such Holder to take any action in respect of the relevant Potential Adjustment Event or to pay any amounts in cash to any Holder in lieu thereof.

- (f) In respect of any Share Linked W&C Instruments, where "Pre-IPO Share" is specified to be applicable in the applicable Final Terms:
 - (i) and "Share Substitution" is specified to be applicable in the applicable Final Terms in relation to such Share Linked W&C Instruments, paragraph (b) of the definition of "Share Substitution Criteria" set out in Share Linked Condition 2 (*Definitions*) shall not apply to the Share on or prior to the Listing Date; and
 - (ii) each reference in Share Linked Condition 5(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) to "De-listing" shall not apply to the Share on or prior to the Listing Date.
- (g) In respect of any Share Linked W&C Instruments, where the Settlement Price specified in the applicable Final Terms is the "Settlement Price (Effective Price 2)", Share Linked Condition 5(c)(ii)(B) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) shall be deemed to be deleted and replaced with the following:

"(B) in the case of W&C Instruments, cancel the W&C Instruments by giving notice to Holders in accordance with W&C Instruments Condition 12 (*Notices*). If the W&C

Instruments are so cancelled the Issuer shall pay in respect of each W&C Instrument an amount equal to the Cash Settlement Amount determined by the Issuer in accordance with the provisions set out at W&C Instruments Condition 4 (*Definitions*) (as completed by the applicable Final Terms), as though the date on which such notice is deemed given in accordance with W&C Instruments Condition 12 (*Notices*) was the Actual Exercise Date for the W&C Instruments. The amount, manner and timing of any such payment shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*). Other than as provided in this paragraph, no Holder shall be entitled to any payment in respect of any W&C Instrument following such cancellation thereof, and no liability in respect thereof shall attach to the Issuer, the Guarantor or the Calculation Agent; or".

- (h) In respect of any Share Linked W&C Instruments, where the applicable Final Terms specify that "Special Conditions for Potential Adjustment Events" are applicable, this paragraph 5(h) shall apply:
 - (i) In the event that a Relevant Cash Dividend in respect of the Shares is declared by the Share Company during the period from the Issue Date to but excluding the Scheduled Expiration Date, the Issuer shall, in respect of each W&C Instrument remaining outstanding and held in Euroclear or Clearstream, Luxembourg as at the relevant Additional Amount Payment Date, (A) pay an amount equal to the Additional Amount to the relevant Holder on the Additional Amount Payment Date; or (B) provided that all the W&C Instruments remaining outstanding are held by a single Holder, upon election by that Holder, in lieu of paying such Additional Amount to the Holder, issue an amount of further W&C Instruments ("**Further Warrants**") determined by the Calculation Agent, to that Holder at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.
 - (ii) In the event that any Further Warrants are to be issued at an issue price, no Holder will be obliged to purchase such Further Warrants but if such Further Warrants are not purchased pursuant to the relevant terms of offer, the Issuer shall have no further obligations to the relevant Holder in respect of such Relevant Cash Dividend, as the case may be.
 - (iii) Upon the declaration of a Relevant Cash Dividend by the Share Company and provided that all the W&C Instruments remaining outstanding are held by a single Holder, the Calculation Agent shall give notice as soon as practicable to that Holder in accordance with W&C Instruments Condition 12 (*Notices*) stating the declaration of the Relevant Cash Dividend, the mechanism as to how and the deadline for that Holder to elect to receive payment of Additional Amount or to subscribe for Further Warrants and other details thereof.
 - (iv) In the event that a stock dividend in respect of the Shares or dividend in form of Shares (a "**Relevant Stock Dividend**") is declared by the Share Company during the period from the Issue Date to but excluding the Scheduled Expiration Date, the Issuer shall, in respect of each W&C Instrument remaining outstanding and held in Euroclear or Clearstream, Luxembourg as at the relevant Stock Dividend Payment Date, issue to the relevant Holder an amount of further W&C Instruments equal to the relevant number of additional Shares which would have been received by the Hypothetical Broker Dealer as holder of the Shares as dividend, less any applicable Local Dividend Tax (which shall be calculated and deducted in such manner as the Calculation Agent may determine in its sole discretion). The issue price for such further W&C Instruments shall be determined in the sole discretion of the Calculation Agent acting in good faith. Any applicable (A) commissions, and (B) PRC Taxes will, in each case, be deducted from the proceeds from the disposal or realisation of the hedge position for such further W&C Instruments in the manner as set out in the definition of "Settlement Price (Effective Price 2)" above.

- (v) For the avoidance of doubt, the Issuer's obligation to pay any such Additional Amount or issue further W&C Instruments shall be discharged in full by it making such payment or issuing such further W&C Instruments (as the case may be) to Euroclear or (as the case may be) Clearstream, Luxembourg, and neither the Issuer and the Guarantor shall be liable to any Holder in respect of any failure on the part of Euroclear or (as the case may be) Clearstream, Luxembourg to forward or account for such amount or further W&C Instruments to such Holder.

- (vi) For the purposes of this paragraph 5(h):

"Local Dividend Tax" means, in relation to any dividend per Share, ten per cent. (10%) of such dividend, or, if different, the amounts which would have been deductible from, or payable by, the Hypothetical Broker Dealer as the holder of the Shares in respect of such dividend, on account of any taxes on such dividend which would have been imposed by the PRC or applicable taxing authorities thereof on the Hypothetical Broker Dealer as the holder of such Shares, provided that, if, following the Trade Date and prior to the related ex-dividend date, the PRC or applicable taxing authorities thereof have issued written circulars/notices/guidelines to confirm that no such tax would have been deductible from, or payable by, investors including the Hypothetical Broker Dealer, then Local Dividend Tax shall be zero.

"Stock Dividend Payment Date" means, in relation to any Relevant Stock Dividend, five Business Days following the date the Relevant Stock Dividend would have been received by Hypothetical Broker Dealer who would have been entitled to receive it or such earlier date at the sole discretion of the Calculation Agent.

6. Additional Disruption Events

- (a) If the applicable Final Terms specify "Change in Law Amendment" is applicable, the definition of "Change in Law" in Index Linked Condition 5 (*Additional Disruption Events*) and Share Linked Condition 7(a) (*Additional Disruption Events*) (as applicable) shall be deemed to be deleted and replaced with the following:

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (i) due to the proposal or adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a Taxing Authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become, or there is a reasonable likelihood that it may or will become, illegal for the Issuer and/or any of its Affiliates or agents to hold, acquire or dispose of the Applicable Hedge Positions or any Related Hedging Arrangements or (B) the Issuer and/or any of its Affiliates or agents has incurred or suffered, or there is a reasonable likelihood that it may or will incur or suffer, a materially increased cost in performing its obligations in relation to the W&C Instruments (including, without limitation, due to any proposed or actual increase in tax liability, decrease in tax benefit or other potential or actual adverse effect on the tax position of the Issuer and/or any of its Affiliates or agents), a material penalty, injunction, non-financial burden, reputational harm or other material adverse consequence in connection with the holding, acquiring, establishing, re-establishing, maintaining, unwinding or disposing of the Applicable Hedge Positions or any Related Hedging Arrangements.

- (b) In respect of any Share Linked W&C Instruments, where the Settlement Price specified in the applicable Final Terms is the "Settlement Price (Effective Price 2)", Share Linked Condition 7(b)(ii)(B) (*Additional Disruption Events*) shall be deemed to be deleted and replaced with the following:

"(B) in the case of W&C Instruments, give notice to the Holders in accordance with W&C Instruments Condition 12 (*Notices*) and cancel the W&C Instruments. If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to a Hypothetical Broker Dealer, acting in a commercially reasonable manner, of terminating, liquidating or unwinding the Applicable Hedge Positions (including any cost of funding in respect of such Applicable Hedge Positions) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*)."

- (c) In respect of any Share Linked W&C Instruments, where the Settlement Price specified in the applicable Final Terms is the "Settlement Price (Share Closing Price 2)", Share Linked Condition 7(b)(ii)(B) (*Additional Disruption Events*) shall be deemed to be deleted and replaced with the following:

"(B) in the case of W&C Instruments, give notice to the Holders in accordance with W&C Instruments Condition 12 (*Notices*) and cancel the W&C Instruments. If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer or its Affiliates, acting in a commercially reasonable manner, of terminating, liquidating or unwinding the Applicable Hedge Positions (including any cost of funding in respect of such Applicable Hedge Positions) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*)."

7. Deduction of Cost and Taxes

If the applicable Final Terms specify "Deduction of Cost and Taxes" is applicable, all and any payments (other than any Additional Amount) made by the Issuer in respect of the W&C Instruments (including, without limitation, any payment made by the Issuer upon redemption of the W&C Instruments) shall be made subject to (and after) deductions to account for all and any applicable Cost and Tax. Unless the applicable Final Terms specify the "Exchange Rate" to be not applicable, any amounts of Cost and Tax will be converted to the Settlement Currency at the Exchange Rate by the Calculation Agent as it deems necessary.

8. Exercise Period

In the case of American Style Warrants, the Exercise Period in respect of each Warrant shall commence on, and include, the Exercise Period Start Date and end on, and include, the Scheduled Expiration Date, or if the Scheduled Expiration Date is not an Exercise Business Day, the immediately succeeding Exercise Business Day, provided that where the Exercise Period Start Date specified in the applicable Final Terms is the Listing Date, if the Listing Date does not occur on or before the Scheduled Expiration Date, the Exercise Period shall be deemed to end on the Scheduled Expiration Date.

9. Settlement Date

The Settlement Date in relation to each W&C Instrument will be determined as follows:

- (a) where the Settlement Price specified in the applicable Final Terms is the Settlement Price (Effective Price 1) or the Settlement Price (Effective Price 2), the Settlement Date will be the Number of Settlement Business Days following the later of (i) the Actual Exercise Date for such W&C Instrument; and (ii) the Final Execution Date; or
- (b) where the Settlement Price specified in the applicable Final Terms is the Settlement Price (Share Closing Price 1) or the Settlement Price (Share Closing Price 2) or the

Settlement Price (Index Closing Level), the Settlement Date will be the Number of Settlement Business Days following the Valuation Date for such W&C Instrument.

The Settlement Date in respect of each W&C Instrument exercised or deemed to be exercised on the Scheduled Expiration Date is expected as at the date of the applicable Final Terms to be the Scheduled Settlement Date, and where the applicable Final Terms specifies "Scheduled Settlement Date is Business Day Adjusted", then if the Scheduled Settlement Date is not a Business Day, the Scheduled Settlement Date shall be adjusted in accordance with the Settlement Business Day Convention specified in the applicable Final Terms and subject to any further adjustment in accordance with W&C Instruments Condition 6(A) (*General Provisions*).

For the avoidance of doubt, the definition of "Settlement Date" in W&C Instruments Product Condition 5 (*Other Definitions*) in Part 2 of this Annex 1 shall not apply.

10. **Additional Terms and Conditions for low exercise price warrants linked to China A share traded via the China Connect Service ("China Connect Share LEPW")**

In respect of any Share Linked W&C Instruments where the applicable Final Terms specify that "LEPW Conditions" and "China Connect Share LEPW Conditions" are applicable, LEPW Conditions 10 to 14 (the "**China Connect Share LEPW Conditions**") shall apply. In the event of any inconsistency between (i) the W&C Instruments Conditions, the Share Linked Conditions or the preceding LEPW Conditions 1 to 9 and (ii) the China Connect Share LEPW Conditions, the China Connect LEPW Conditions shall prevail. For the avoidance of doubt, LEPW Condition 5 (*Additional Consequences of Potential Adjustment Events*) and LEPW Condition 6 (*Additional Disruption Event*) shall not apply to China Connect Share LEPW.

11. **Additional Definitions**

For the purposes of these China Connect Share LEPW Conditions:

"China Connect Business Day" means any Scheduled Trading Day on which the China Connect Service is open for order-routing during its regular order-routing sessions, notwithstanding the China Connect Service closing prior to its Scheduled Closing Time.

"China Connect Service" means the securities trading and clearing links programme developed by the Exchange, SEHK, CSDCC and HKSCC, through which (i) SEHK and/or its Affiliates provides order-routing and other related services for certain eligible securities trade on the Exchange and (ii) CSDCC and HKSCC provide clearing, settlement, depository and other services in relation to such securities.

"CSDCC" means China Securities Depository and Clearing Corporation.

"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 the China Connect Service fails to open for order-routing during its regular order-routing session, or on which a Market Disruption Event has occurred.

"Exchange Business Day" means any Scheduled Trading Day (i) 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 and (ii) which is a China Connect Business Day.

"HKSCC" means the Hong Kong Securities Clearing Company Limited.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"Scheduled Closing Time" means, in respect of an Exchange, Related Exchange or the China Connect Service and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange, Related Exchange or the China Connect Service on such Scheduled Trading Day, without regard (in the case of any Exchange or Related Exchange) to after hours or any other

trading outside of the regular trading session hours or (in the case of the China Connect Service) any after hours or any other order-routing outside of the regular order-routing session hours.

"Scheduled Trading Day" means any day on which (i) each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions and (ii) the China Connect Service is scheduled to be open for order-routing for its regular order-routing sessions.

"SEHK" means The Stock Exchange of Hong Kong Limited.

12. Market Disruption

"Market Disruption Event" means, in relation to a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, (c) a China Connect Disruption, which in each case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time for such Share, (d) an Early Closure or (e) a China Connect Early Closure.

For the purposes of the above definition of "Market Disruption Event":

"China Connect Disruption" means (i) any suspension of or limitation imposed on routing of orders (including in respect of buy orders only, sell orders only or both buy and sell orders) through the China Connect Service, relating to the Share on the Exchange or (ii) any event (other than a China Connect Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of the market participants in general to enter orders in respect of Shares through the China Connect Service.

"China Connect Early Closure" means the closure on any China Connect Business Day of the China Connect Service prior to its Scheduled Closing Time unless such earlier closing time is announced by SEHK or the Exchange, as the case may be, at least one hour prior to the earlier of (i) the actual closing time for order-routing through the China Connect Service on such China Connect Business Day and (ii) the submission deadline for orders to be entered into the China Connect Service system for execution on the Exchange at the Valuation Time on such China Connect Business Day.

13. Additional Consequences of Potential Adjustment Events

(a) In respect of any Share Linked W&C Instruments, Share Linked Condition 5 (Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event) shall apply, as amended by paragraphs 13(b) to 13(h) below.

(b) Share Linked Condition 5(a)(2) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) beginning with the words "Following the declaration..." shall be deemed to be deleted and replaced with the following Share Linked Condition 5(a)(2):

"(a)(2) Following the declaration by the relevant Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical or market value of the Share and, if so, the Calculation Agent may, in its sole and absolute discretion, take any one or more of the following actions:

(i) (A) make the corresponding adjustment(s), if any, to any one or more of the terms of the Terms and Conditions of the W&C Instruments and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share), and (B) determine the effective date(s) of such adjustment(s).

The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange; and/or

- (ii) determine that the Issuer shall issue to Holders of the Warrants as of the Record Date additional Warrants or new warrants linked to the relevant Shares, at such cost, if any, to such Holders, on such terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect, subject at all times to the agreement of the Issuer and the ability of the Issuer to issue and distribute such additional Warrants or such new warrants; and/or
- (iii) determine that the Issuer shall issue to Holders of the Warrants as of the Record Date new warrants linked to the share capital or other securities of another company created as a result of a spin-off or other similar transaction relating to the relevant Share Company, on such terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect, subject at all times to the agreement of the Issuer and the ability of the Issuer and such Holders respectively to issue and hold such new warrants; and/or
- (iv) determine, subject at all times to the agreement of the Issuer, that the Issuer shall distribute a cash amount to Holders of the Warrants as of the Record Date, on such terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect.

In its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Share of any Potential Adjustment Event, any actions, and any related adjustments to the Terms and Conditions and/or the applicable Final Terms, the Calculation Agent shall take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such Potential Adjustment Event in respect of Share held through the China Connect Service"

- (c) The definition of "Local Taxes" in Share Linked Condition 5(a)(3) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) shall be deemed to be deleted and replaced with the following definition:

"Local Taxes" shall mean taxes, duties, and similar charges imposed by or could be imposed by the taxing authority of the Local Jurisdiction.

- (d) Share Linked Condition 5(a)(4) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) beginning with the words "Upon the making of..." shall be deemed to be deleted and replaced with the following Share Linked Condition 5(a)(4):

"(a)(4) Upon making any determination under Share Linked Condition 5(a)(2), the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with W&C Instruments Condition 12 (Notices), giving brief details of the Potential Adjustment Event and stating the action proposed to be taken in relation thereto, and:

- (i) in respect of a determination pursuant to Share Linked Condition 5(a)(2)(i), the adjustment to any one or more of the terms of the Terms and Conditions of the W&C Instruments and/or the applicable Final Terms;
- (ii) in respect of a determination pursuant to Share Linked Condition 5(a)(2)(ii):
 - (A) the Record Date;
 - (B) the number of additional Warrants or new warrants to which the Holder of each W&C Instrument is entitled or the number of additional Warrants

or new warrants which the Holder of each W&C Instrument is entitled to purchase, as the case may be;

- (C) if any subscription monies, fees and/or charges are payable, the date on or prior to which such subscription monies, fees and/or charges, as the case may be, must be paid to the Issuer by the Holder of each W&C Instrument in order to purchase additional Warrants or new warrants, if any;
 - (D) the amount of such subscription monies, fees and/or charges payable by the Holder of each W&C Instrument in order to purchase additional Warrants or new warrants, if any;
 - (E) the date on or prior to which the Holder of each W&C Instrument must notify the Principal Warrant Agent and Merrill Lynch International that it wishes to purchase any additional Warrants or new warrants, if applicable; and
 - (F) the account of the Issuer with the Clearing System to be credited with the amount payable by the Holders (if any);
- (iii) in respect of a determination pursuant to Share Linked Condition 5(a)(2)(iii), the Record Date and the number of new warrants to which the Holder of each W&C Instrument is entitled; and
 - (iv) in respect of a determination pursuant to Share Linked Condition 5(a)(2)(iv), the Record Date and amount payable to the Holder of each W&C Instrument,

provided that (y) if a combination of the consequences specified in Share Linked Condition 5(a)(2) are determined by the Calculation Agent to apply, such notice shall state and set out the relevant information applicable to each applicable consequence, and (z) any failure to give, or the non-receipt of, such notice will not affect the validity of the Potential Adjustment Event or any action taken as a consequence of such Potential Adjustment Event."

- (e) In the case of an issue of additional Warrants or new warrants, as the case may be, to Holders pursuant to Share Linked Condition 5(a)(2)(ii) (as amended by paragraph 13(b) above) in respect of which any subscription monies, fees and/or charges are payable, no Holder shall be entitled to receive any additional Warrants or new warrants (and the Issuer shall not be obliged to issue additional Warrants or new warrants to any Holder) unless:
 - (i) each of the Principal Warrant Agent and Merrill Lynch International has received notice from a relevant Holder that it wishes to purchase such additional Warrants or such new warrants (a "**Notice of Purchase of Additional Warrants**") on or prior to the date specified in the relevant notice from the Calculation Agent pursuant to Share Linked Condition 5(a)(4)(ii) (as amended by paragraph 13(d) above). Such Notice of Purchase of Additional Warrants shall be given by sending an authenticated instruction by SWIFT message or by any other authorised communication channel, in accordance with the rules and operating procedures of, and in such manner as is acceptable to, Euroclear and/or Clearstream, Luxembourg, as the case may be (in consultation with the Principal Warrant Agent and, in the case of Euroclear/CBL Global Registered Warrants, the Registrar), and which shall include the information set out in Schedule 7 Part 7 to the Agency Agreement (copies of which may be obtained from the Principal Warrant Agent); and
 - (ii) the Issuer has received payment of the subscription monies on or prior to the date specified in the relevant notice.

For the avoidance of doubt, no Holder shall be obliged to purchase any additional Warrants or new warrants referred to in Share Linked Condition 5(a)(2)(ii) (as

amended by paragraph 13(b) above). However, if such additional Warrants or such new warrants are not purchased by the Holder of any W&C Instrument in accordance with the above provisions, the Issuer shall have no further obligation to such Holder to take any action in respect of the relevant Potential Adjustment Event or to pay any amounts in cash to any Holder in lieu thereof.

- (f) Share Linked Condition 5(c)(i)(A) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) beginning with the words "(A) require the Calculation Agent..." shall be deemed to be deleted and replaced with the following Share Linked Condition 5(c)(i)(A):

"(A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Terms and Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange and the relevant adjustments may in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares. In its determination of any adjustments to the Terms and Conditions and/or the applicable Final Terms to account for the economic effect on the W&C Instruments of the relevant De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as applicable, the Calculation Agent shall take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency in respect of the Share held through the China Connect Service; or"

- (g) In respect of any Share Linked W&C Instruments, where the Settlement Price specified in the applicable Final Terms is the "Settlement Price (Effective Price 2)", Share Linked Condition 5(c)(ii)(B) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) shall be deemed to be deleted and replaced with the following:

"(B) in the case of W&C Instruments, cancel the W&C Instruments by giving notice to Holders in accordance with W&C Instruments Condition 12 (*Notices*). If the W&C Instruments are so cancelled the Issuer shall pay in respect of each W&C Instrument an amount equal to the Cash Settlement Amount determined by the Issuer in accordance with the provisions set out at W&C Instruments Condition 4 (*Definitions*) (as completed by the applicable Final Terms), as though the date on which such notice is deemed given in accordance with W&C Instruments Condition 12 (*Notices*) was the Actual Exercise Date for the W&C Instruments. The amount, manner and timing of any such payment shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*). Other than as provided in this paragraph, no Holder shall be entitled to any payment in respect of any W&C Instrument following such cancellation thereof, and no liability in respect thereof shall attach to the Issuer, the Guarantor or the Calculation Agent; or"

- (h) In respect of any Share Linked W&C Instruments, where the applicable Final Terms specify that "Special Conditions for Potential Adjustment Events" are applicable, this paragraph 13(h) shall apply:

- (i) In the event that a Relevant Cash Dividend in respect of the Shares is declared by the Share Company during the period from the Issue Date to but excluding the Scheduled Expiration Date, the Issuer shall, in respect of each W&C Instrument remaining outstanding and held in Euroclear or Clearstream, Luxembourg as at the relevant Additional Amount Payment Date, (A) pay an amount equal to the Additional Amount to the relevant Holder on the Additional

Amount Payment Date; or (B) provided that all the W&C Instruments remaining outstanding are held by a single Holder, upon election by that Holder, in lieu of paying such Additional Amount to the Holder, issue an amount of further W&C Instruments ("**Further Warrants**") determined by the Calculation Agent, to that Holder at an issue price as determined in the sole discretion of the Calculation Agent acting in good faith.

- (ii) In the event that any Further Warrants are to be issued at an issue price, no Holder will be obliged to purchase such Further Warrants but if such Further Warrants are not purchased pursuant to the relevant terms of offer, the Issuer shall have no further obligations to the relevant Holder in respect of such Relevant Cash Dividend, as the case may be.
- (iii) Upon the declaration of a Relevant Cash Dividend by the Share Company and provided that all the W&C Instruments remaining outstanding are held by a single Holder, the Calculation Agent shall give notice as soon as practicable to that Holder in accordance with W&C Instruments Condition 12 (*Notices*) stating the declaration of the Relevant Cash Dividend, mechanism as to how and the deadline for that Holder to elect to receive payment of Additional Amount or to subscribe for Further Warrants and other details thereof.
- (iv) In the event that a stock dividend in respect of the Shares or dividend in form of Shares (a "Relevant Stock Dividend") is declared by the Share Company during the period from the Issue Date to but excluding the Scheduled Expiration Date, the Issuer shall, in respect of each W&C Instrument remaining outstanding and held in Euroclear or Clearstream, Luxembourg as at the relevant Stock Dividend Payment Date, issue to the relevant Holder an amount of further W&C Instruments equal to the relevant number of additional Shares which would have been received by the Hypothetical Broker Dealer as holder of the Shares as dividend, less any applicable Local Dividend Tax (which shall be calculated and deducted in such manner as the Calculation Agent may determine in its sole discretion). The issue price for such further W&C Instruments shall be determined in the sole discretion of the Calculation Agent acting in good faith. Any applicable (A) commissions and (B) PRC Taxes will, in each case, be deducted from the proceeds from the disposal or realisation of the hedge position for such further W&C Instruments in the manner as set out in the definition of "Settlement Price (Effective Price 2)" above.
- (v) For the avoidance of doubt, the Issuer's obligation to pay any such Additional Amount or issue further W&C Instruments shall be discharged in full by it making such payment or issuing such further W&C Instruments (as the case may be) to Euroclear or (as the case may be) Clearstream, Luxembourg, and neither the Issuer and the Guarantor shall be liable to any Holder in respect of any failure on the part of Euroclear or (as the case may be) Clearstream, Luxembourg to forward or account for such amount or further W&C Instruments to such Holder.
- (vi) For the purposes of this paragraph 13(h):

"**Local Dividend Tax**" means, in relation to any dividend per Share, ten per cent. (10%) of such dividend, or, if different, the amounts which would have been deductible from, or payable by, the Hypothetical Broker Dealer as the holder of the Shares in respect of such dividend, on account of any taxes on such dividend which would have been imposed by the PRC or applicable taxing authorities thereof on the Hypothetical Broker Dealer as the holder of such Shares, provided that, if, following the Trade Date and prior to the related ex-dividend date, the PRC or applicable taxing authorities thereof have issued written circulars/notices/guidelines to confirm that no such tax would have been deductible from, or payable by, investors including the Hypothetical Broker Dealer, then Local Dividend Tax shall be zero.

"Stock Dividend Payment Date" means, in relation to any Relevant Stock Dividend, five Business Days following the date the Relevant Stock Dividend would have been received by Hypothetical Broker Dealer who would have been entitled to receive it or such earlier date at the sole discretion of the Calculation Agent.

14. Additional Disruption Events

- (a) The definition of "Additional Disruption Event" in Share Linked Condition 7(a) (*Additional Disruption Events*) shall be deemed to be deleted and replaced with the following:

"Additional Disruption Event" means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow, Insolvency Filing, China Connect Share Disqualification and/or China Connect Service Termination, in each case if specified in the applicable Final Terms.

For the purposes of the above definition of "Additional Disruption Event":

"China Connect Share Disqualification" means, on or after the Trade Date, the relevant Share ceases to be accepted as "China Connect Securities" (as defined in the rules of the exchange of SEHK) for the purpose of the China Connect Service.

"China Connect Service Termination" means, on or after the Trade Date, the announcement by one or more of the Exchange, SEHK, the CSDCC, HKSCC or any regulatory authority with competent jurisdiction of a suspension or termination of the China Connect Service or a part thereof for any reason which materially affects the routing of orders in respect of, or holding of, the Share through the China Connect Service and the Calculation Agent determines that there is a reasonable likelihood that such suspension or termination is not, or will not be, temporary.

"Hedging Disruption" means that the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Share Linked Instruments, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s). For these purposes, "using commercially reasonable efforts" shall not require the Issuer and/or any of its Affiliates or agents to use of any quota granted to the Issuer and/or its Affiliates or agents under the Qualified Foreign Institutional Investor (QFII) or Renminbi Qualified Foreign Institutional Investor (RQFII) schemes.

- (b) Share Linked Condition 7(b)(i) (*Additional Disruption Events*) beginning with the words "(i) require the Calculation Agent to determine" shall be deemed to be deleted and replaced with the following Share Linked Condition 7(b)(i):

"(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of the Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment. In its determination of any adjustments to the Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event, the Calculation Agent shall take into account any requirement, adjustment and/or limitation that may be imposed by the China Connect Service or any action or inaction by any one or more of the Exchange, SEHK, CSDCC and HKSCC in relation to such Additional Disruption Event in respect of the Share held through the China Connect Service; or"

- (c) In respect of any Share Linked W&C Instruments, where the Settlement Price specified in the applicable Final Terms is the "Settlement Price (Effective Price 2)", Share Linked Condition 7(b)(ii)(B) (*Additional Disruption Events*) shall be deemed to be deleted and replaced with the following:

"(B) in the case of W&C Instruments, give notice to the Holders in accordance with W&C Instruments Condition 12 (*Notices*) and cancel the W&C Instruments. If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to a Hypothetical Broker Dealer, acting in a commercially reasonable manner, of terminating, liquidating or unwinding the Applicable Hedge Positions (including any cost of funding in respect of such Applicable Hedge Positions) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*)."

- (d) In respect of any Share Linked W&C Instruments, where the Settlement Price specified in the applicable Final Terms is the "Settlement Price (Share Closing Price 2)", Share Linked Condition 7(b)(ii)(B) (*Additional Disruption Events*) shall be deemed to be deleted and replaced with the following:

"(B) in the case of W&C Instruments, give notice to the Holders in accordance with W&C Instruments Condition 12 (*Notices*) and cancel the W&C Instruments. If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer or its Affiliates, acting in a commercially reasonable manner, of terminating, liquidating or unwinding the Applicable Hedge Positions (including any cost of funding in respect of such Applicable Hedge Positions) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*)."

Part 4

Additional Terms and Conditions for Target Volatility W&C Instruments

1. Application and Interpretation

(a) Application to W&C Instruments

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to the relevant W&C Instruments shall comprise the terms and conditions of the W&C Instruments (the "**W&C Instruments Conditions**"), the applicable Underlying Asset Conditions and the additional terms and conditions for target volatility W&C Instruments set out below (the "**Target Volatility Conditions**"). In the event of any inconsistency between (i) the W&C Instruments Conditions or the applicable Underlying Asset Conditions and (ii) the Target Volatility Conditions, the Target Volatility Conditions shall prevail.

(b) Interpretation

Words and expressions used but not otherwise defined in these Target Volatility Conditions shall have the meanings given to them in the W&C Instruments Conditions or the relevant Underlying Asset Conditions.

2. Cash Settlement Amount

The Cash Settlement Amount payable on the Settlement Date in respect of each W&C Instrument shall be an amount in the Settlement Currency determined in accordance with such of the following provisions as are specified to be applicable in the applicable Final Terms.

(a) Non-Ladder Target Volatility Payout

This Target Volatility Condition 2(a) applies if the applicable Final Terms specify that "Ladder Target Volatility Payout" and "Fixed Settlement Amount Payout" are not applicable.

The Cash Settlement Amount shall be calculated by the Calculation Agent in accordance with the following formula:

$$\text{FixedSettlementAmount} + \left\{ \text{RA} \times \text{P} \times \text{FX} \times \text{Min} \left[\text{Cap}; \text{Max} \left(\left(\frac{\text{BSK}_{\text{Final}}}{\text{BSK}_0} - \text{Strike} \right); 0 \right) \right] \right\}$$

(b) Ladder Target Volatility Payout

This Target Volatility Condition 2(b) applies if the applicable Final Terms specify that "Ladder Target Volatility Payout" is applicable and that "Fixed Settlement Amount Payout" is not applicable.

The Cash Settlement Amount shall be calculated by the Calculation Agent in accordance with the following formula:

$$\text{RA} \times \left\{ \text{SA} + \text{Max} \left[\text{LockIn}; \text{P} \times (\text{BSK}_{\text{Final}} - \text{Strike}) \right] \right\}$$

(c) Fixed Settlement Amount Payout

This Target Volatility Condition 2(c) applies if the applicable Final Terms specify that "Ladder Target Volatility Payout" is not applicable and that "Fixed Settlement Amount Payout" is applicable.

The Cash Settlement Amount shall be an amount equal to the Fixed Settlement Amount.

3. Additional Amounts

If "**Target Volatility Linked Additional Amounts**" is specified to be applicable in the applicable Final Terms, W&C Instruments Product Condition 4.1 (*Accrual of Additional Amount*) and 4.2 (*Payment of Additional Amounts*) shall apply, and if the Calculation Agent determines that:

- (a) an Additional Amount Event has not occurred in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date, no Additional Amount shall be payable on such Additional Amount Payment Date; or
- (b) an Additional Amount Event has occurred in respect of the Additional Amount Reference Date immediately preceding an Additional Amount Payment Date, the Additional Amount payable on such Additional Amount Payment Date shall be an amount calculated by the Calculation Agent in accordance with the following formula:

$$RA \times AAP(TV) \times FX(AA)$$

4. Definitions

For the purposes of these Target Volatility Conditions:

"**a**" means an amount specified as such in the applicable Final Terms.

"**AAP(TV)**" means "**Additional Amount Percentage (Target Volatility)**", being the percentage amount, expressed for the purposes of calculation as a decimal, specified as such in the applicable Final Terms.

"**ACV_{k,t}**" means, in respect of W&C Instruments that relate to a Basket of Underlying Assets, each Common Trading Day "t" and each Underlying Asset "k" in the Basket of Underlying Assets, the Asset Closing Value of such Underlying Asset "k" on such Common Trading Day "t", as determined by the Calculation Agent (or, if such Common Trading Day "t" is a Disrupted Day in respect of such Underlying Asset "k" and is not a Valuation Date, the Asset Closing Value of such Underlying Asset "k" on the Common Trading Day which is not a Disrupted Day for such Underlying Asset "k" immediately preceding Common Trading Day "t", as determined by the Calculation Agent).

"**ACV_{k,t-1}**" means, in respect of W&C Instruments that relate to a Basket of Underlying Assets, each Common Trading Day "t" and each Underlying Asset "k" in the Basket of Underlying Assets, the Asset Closing Value of such Underlying Asset "k" on the Common Trading Day which is not a Disrupted Day in respect of such Underlying Asset "k" immediately preceding such Common Trading Day "t", as determined by the Calculation Agent.

"**ACV_{k,0}**" means, in respect of W&C Instruments that relate to a Basket of Underlying Assets and each Underlying Asset "k" in the Basket of Underlying Assets, the Asset Closing Value of such Underlying Asset on the Strike Date, as determined by the Calculation Agent.

"**ACV_t**" means, in respect of W&C Instruments that relate to a single Underlying Asset, each Specified Trading Day "t" and the Underlying Asset, the Asset Closing Value of the Underlying Asset on such Specified Trading Day "t", as determined by the Calculation Agent (or, if such Specified Trading Day "t" is a Disrupted Day and is not a Valuation Date, the Asset Closing Value of such Underlying Asset on the Specified Trading Day which is not a Disrupted Day for such Underlying Asset immediately preceding such Specified Trading Day "t", as determined by the Calculation Agent).

"**ACV_{t-1}**" means, in respect of W&C Instruments that relate to a single Underlying Asset, each Specified Trading Day "t" and the Underlying Asset, the Asset Closing Value of the

Underlying Asset on the Specified Trading Day which is not a Disrupted Day immediately preceding such Specified Trading Day "t", as determined by the Calculation Agent.

"**ACV₀**" means, in respect of W&C Instruments that relate to a single Underlying Asset, the Asset Closing Value of the Underlying Asset on the Strike Date, as determined by the Calculation Agent.

"**Additional Amount Event**" means, in respect of each Additional Amount Reference Date (and an Additional Amount Event shall be deemed to have occurred in respect of such Additional Amount Reference Date if the Calculation Agent determines that), the Volatility Controlled Basket Performance in respect of such Additional Amount Reference Date is, where the applicable Final Terms specify as applicable:

- (a) "less than or equal to Additional Amount Threshold", less than or equal to the Additional Amount Threshold in respect of such Additional Amount Reference Date;
- (b) "greater than or equal to Additional Amount Threshold", greater than or equal to the Additional Amount Threshold in respect of such Additional Amount Reference Date;
- (c) "less than Additional Amount Threshold", less than the Additional Amount Threshold in respect of such Additional Amount Reference Date; or
- (d) "greater than Additional Amount Threshold", greater than the Additional Amount Threshold in respect of such Additional Amount Reference Date,

each as determined by the Calculation Agent.

"**Additional Amount Payment Date**" means each date specified as such in the applicable Final Terms.

"**Additional Amount Reference Cut-Off Date**" means, in respect of a Scheduled Additional Amount Reference Date, the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) prior to the Additional Amount Payment Date immediately following such Scheduled Additional Amount Reference Date, or such other number of Business Day(s) immediately following such Scheduled Additional Amount Reference Date as specified in the applicable Final Terms, provided that an Additional Amount Reference Cut-Off Date shall not fall prior to the original date on which such Scheduled Additional Amount Reference Date was scheduled to fall.

"**Additional Amount Reference Date**" means each date specified as such in the applicable Final Terms (each such date being, a "**Scheduled Additional Amount Reference Date**") or:

- (a) where the W&C Instruments relate to a single Underlying Asset, if the Scheduled Additional Amount Reference Date is not a Specified Trading Day or is a Disrupted Day, the Additional Amount Reference Date corresponding to such Scheduled Additional Amount Reference Date shall be the earlier to occur of (i) the Specified Trading Day which is not a Disrupted Day immediately following such Scheduled Additional Amount Reference Date, and (ii) the Additional Amount Reference Cut-Off Date (notwithstanding that such day may be a Disrupted Day or is not a Specified Trading Day). If the Additional Amount Reference Date falls on the Additional Amount Reference Cut-Off Date following such adjustment and such day is not a Specified Trading Day or is a Disrupted Day, then the Calculation Agent shall, if the Underlying Asset is:
 - (A) an Index, determine the relevant level of the Index as of the Valuation Time for the Index on the Additional Amount Reference Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such 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 for the Index on the Additional Amount Reference Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions

- in relation to a share) has occurred in respect of the relevant security on the Additional Amount Reference Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time for the Index on the Additional Amount Reference Cut-Off Date); or
- (B) a Share, determine the relevant price of the Share using the Calculation Agent's good faith estimate of the price for the Share as of the Valuation Time for the Share on the Additional Amount Reference Cut-Off Date; or
 - (C) a Fund Share, determine the relevant price of the Fund Share using the Calculation Agent's good faith estimate of the price for the Fund Share as of the Valuation Time for the Fund Share on the Additional Amount Reference Cut-Off Date; or
 - (D) a Fund Interest, take any Fund Event Action on or in relation to such Additional Amount Reference Cut-Off Date as defined in Fund Linked Condition 4 (*Fund Events*) that the Calculation Agent, in its sole and absolute discretion, determines to be practicable, which may be determined by the Calculation Agent after all necessary information has been obtained and/or released by the Fund; or
- (b) where the W&C Instruments relate to a Basket of Underlying Assets, if the Scheduled Additional Amount Reference Date is not a Common Trading Day or is a Disrupted Day for any Underlying Asset, the Additional Amount Reference Date corresponding to such Scheduled Additional Amount Reference Date shall be the earlier to occur of (i) the Common Trading Day that is not a Disrupted Day for any Underlying Asset immediately following the Scheduled Additional Amount Reference Date, and (ii) the Additional Amount Reference Cut-Off Date (notwithstanding that such day may be a Disrupted Day for one or more Underlying Assets or is not a Common Trading Day). If the Additional Amount Reference Date falls on the Additional Amount Reference Cut-Off Date following such adjustment, then the Calculation Agent shall determine, in relation to each Underlying Asset for which the Additional Amount Reference Cut-Off Date is a Disrupted Day for such Underlying Asset or is not a Specified Trading Day for such Underlying Asset, the relevant level or price of such Underlying Asset in accordance with:
- (A) sub-paragraph (a)(A) above where such Underlying Asset is an Index;
 - (B) sub-paragraph (a)(B) above where such Underlying Asset is a Share;
 - (C) sub-paragraph (a)(C) above where such Underlying Asset is a Fund Share; or
 - (D) sub-paragraph (a)(D) above where such Underlying Asset is a Fund Interest.
- (C) Notwithstanding sub-paragraphs (a) and (b) above, if the or any Underlying Asset is a Fund Interest, following the occurrence of a Fund Event in relation to such Fund Interest, the Calculation Agent may in its sole and absolute discretion decide whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*) only, without applying any of the provisions under this definition of "**Additional Amount Reference Date**".

"**Additional Amount Table**" means the table specified as such in the applicable Final Terms.

"**Additional Amount Threshold**" means, in respect of each Additional Amount Reference Date, the amount (which may be expressed as a percentage or decimal) specified as such in the applicable Final Terms, or as specified in the column entitled "Additional Amount Threshold" of the Additional Amount Table in the row corresponding to the date (specified in the column entitled "Additional Amount Reference Date(s)") on which such Additional Amount Reference Date is scheduled to fall.

"**AF1**" means "**Adjustment Factor 1**", being a percentage amount, expressed as a decimal for the purposes of calculation, specified as such in the applicable Final Terms.

"**AF2**" means "**Adjustment Factor 2**", being a percentage amount, expressed as a decimal for the purposes of calculation, specified as such in the applicable Final Terms.

"**A_{t-n}**" means, in respect of each Valuation Date "t", the Target Allocation in respect of the nth preceding Valuation Date.

"**Aggregate Underlying Asset Performance**" means, in respect of W&C Instruments that relate to a Basket of Underlying Assets and each Common Trading Day, if the applicable Final Terms specify:

- (a) "Aggregate Underlying Asset Performance 1" to be applicable, the product of (i) the Initial Underlying Asset Performance, multiplied by (ii) the sum of the Weighted Performance of each of the Underlying Assets comprising the Basket of Underlying Assets for such Common Trading Day, as determined by the Calculation Agent; or
- (b) "Aggregate Underlying Asset Performance 2" to be applicable, the product of (i) the Aggregate Underlying Asset Performance on the immediately preceding Common Trading Day (or, if such immediately preceding Common Trading Day falls on or before the Initial Valuation Date, the Initial Underlying Asset Performance), multiplied by (ii) the sum of the Weighted Performance of each of the Underlying Assets comprising the Basket of Underlying Assets for such Common Trading Day, as determined by the Calculation Agent.

"**Asset Closing Value**" means, in respect of any relevant date and:

- (a) an Index, the Index Closing Level of the Index on such date;
- (b) a Share, the Share Closing Price of the Share on such date;
- (c) a Fund Share, the Fund Share Closing Price of the Fund Share on such date; and
- (d) a Fund Interest, the Relevant Price of the Fund Interest on such date.

"**Averaging Date**" means (i) each date specified as such in the applicable Final Terms (each such date being a "**Scheduled Averaging Date**"), provided that, if any Scheduled Averaging Date is not a Valuation Date, then the corresponding Averaging Date shall be the Valuation Date immediately following such Scheduled Averaging Date, and (ii) the Final Valuation Date (collectively, the "**Averaging Dates**"). The definition of "Averaging Date" in each of Index Linked Condition 2 (*Definitions*), Share Linked Condition 2 (*Definitions*), Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*) and Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*) shall not apply.

"**b**" means an amount specified as such in the applicable Final Terms.

"**Base Currency**" means the currency specified as such in the applicable Final Terms.

"**Basket of Underlying Assets**" means a Basket of Indices, a Basket of Shares, a Basket of Funds or a Basket of Hybrid Assets, as specified in the applicable Final Terms.

"**Basket Value_t**" means in respect of:

- (a) any Valuation Date "t", if the applicable Final Terms specify that:
 - (i) "Basket Value 1" is applicable, an amount determined by the Calculation Agent on such Valuation Date in accordance with the following formula:

$$BSK_{t-1} \times \text{Max} \left\{ \left[1 + A_{t-n} \times \left(\frac{F_t}{F_{t-1}} - 1 \right) + (1 - A_{t-n}) \times R_{t-1} \times \frac{DC}{NDP} \right]; 0 \right\}; \text{ or } \left[-AF1 \times \frac{DC}{NDP} - AF2 \times \text{Max}((A_{t-n} - V); 0) \times \frac{DC}{NDP} \right]$$

- (ii) "Basket Value 2" is applicable, an amount determined by the Calculation Agent on such Valuation Date in accordance with the following formula:

$$BSK_{t-1} \times \text{Max} \left\{ \left[1 + A_{t-n} \times \left(\frac{F_t}{F_{t-1}} - 1 - \left(R_{t-1} \times \frac{DC}{NDP} \right) \right) \right] ; 0 \right\}; \text{ and}$$

$$\left[-AF1 \times \frac{DC}{NDP} - AF2 \times \text{Max}((A_{t-n} - V); 0) \times \frac{DC}{NDP} \right]$$

- (b) the Strike Date, the Initial Basket Value.

"**BSK₀**" means the Initial Basket Value.

"**BSK_{Final}**" means, if the applicable Final Terms specify that:

- (a) "Averaging" is not applicable, the Basket Value_t in respect of the Final Valuation Date, as determined by the Calculation Agent; or
- (b) "Averaging" is applicable, the Final Basket Value.

"**BSK_t**" means Basket Value_t.

"**BSK_{t-1}**" means, in respect of (a) any Valuation Date "t", other than the Initial Valuation Date, the Basket Value_t for the immediately preceding Valuation Date, and (b) the Initial Valuation Date, the Initial Basket Value.

"**c**" means an amount specified as such in the applicable Final Terms.

"**Cap**" means an amount specified as such in the applicable Final Terms.

"**Common Trading Day**" means, in respect of a Basket of Underlying Assets, each day which is a Specified Trading Day for all the Underlying Assets in the Basket of Underlying Assets.

"**Common Trading Day "t"**" means a relevant Common Trading Day.

"**DC**" means "**Day Count**", being (a) in respect of any Valuation Date "t" other than the Initial Valuation Date, the actual number of calendar days falling in the period from the immediately preceding Valuation Date (and including, or excluding such Valuation Date, as specified in the applicable Final Terms) to such Valuation Date "t" (and including or excluding such Valuation Date, as specified in the applicable Final Terms); and (b) in respect of the Initial Valuation Date, the actual number of calendar days falling in the period from the Strike Date (and including or excluding the Strike Date, as specified in the applicable Final Terms) to the Initial Valuation Date (and including or excluding the Initial Valuation Date, as specified in the applicable Final Terms).

"**Designated Maturity**" means, in respect of a Reference Rate, the period of time specified as such in the applicable Final Terms.

"**DF_{Long}**" means the "**Decay Factor_{Long}**" being the amount specified as such in the applicable Final Terms.

"**DF_{Short}**" means the "**Decay Factor_{Short}**" being the amount specified as such in the applicable Final Terms.

"**Disrupted Day**", in respect of an Underlying Asset that is:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);

- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*); and
- (d) a Fund Interest, means a day on which a Fund Event occurs or is continuing.

"Exchange Rate" means if the applicable Final Terms specify:

- (a) **"Currency Price"** to be applicable, in respect of any relevant day and each Subject Currency, an amount equal to the FX Specified Price appearing on the FX Price Source at or around the FX Valuation Time on the relevant date for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged), provided that if the FX Specified Price is not published on the FX Price Source at or around the FX Valuation Time on such day, the Calculation Agent shall determine the value of the Exchange Rate, taking into consideration all available information as it in good faith deems relevant; or
- (b) **"Derived Exchange Rate"** to be applicable, in respect of any relevant day and each Subject Currency, an amount equal to the spot rate of exchange for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged), calculated as the quotient of (i) the Reference Currency/Subject Currency Price in respect of such day, divided by (ii) the Reference Currency/Base Currency Price in respect of such day (and the amount resulting from such calculation will be rounded to the nearest fourth decimal place, with 0.00005 being rounded upwards (or such other number of decimal places as specified in the applicable Final Terms)).

"Exchange Rate Additional Amount Valuation Date" means, in respect of the Exchange Rate and an Additional Amount Reference Date, the first FX Business Day following such Additional Amount Reference Date (provided that, if such first following FX Business Day falls after the second Business Day prior to the Additional Amount Payment Date immediately following the Scheduled Additional Amount Reference Date corresponding to such Additional Amount Reference Date, then such Exchange Rate Additional Amount Valuation Date shall be such second Business Day and the Calculation Agent shall determine the value of the Exchange Rate for such day, taking into consideration all available information as it in good faith deems relevant), and provided that such Exchange Rate Additional Amount Valuation Date shall not fall prior to the original date on which such Scheduled Additional Amount Reference Date was scheduled to fall.

"Exchange Rate Strike Date" means, in respect of an Exchange Rate, the Strike Date or such other date specified as such in the applicable Final Terms, or if such day is not an FX Business Day, the first FX Business Day after such date.

"Exchange Rate Valuation Date" means, in respect of the Exchange Rate, the first FX Business Day following the Final Valuation Date following any adjustment to the Final Valuation Date in accordance with these Target Volatility Conditions (provided that, if such first following FX Business Day falls after the second Business Day prior to the Settlement Date, then the Exchange Rate Valuation Date shall be such second Business Day irrespective of whether such day is an FX Business Day and the Calculation Agent shall determine the value of the Exchange Rate, taking into consideration all available information as it in good faith deems relevant), and provided that the Exchange Rate Valuation Date shall not fall prior to the original date on which the Final Valuation Date was scheduled to fall.

"Final Basket Value" means the arithmetic mean of the Basket Value_t on each of the Averaging Dates, as determined by the Calculation Agent.

"Final Valuation Cut-Off Date" means the second Business Day (or, in respect of Swedish Securities, the sixth Business Day) prior to the Settlement Date, or such other number of Business Day(s) prior to the Settlement Date as specified in the applicable Final Terms, provided that the Final Valuation Cut-Off Date shall not fall prior to the original date on which the Final Valuation Date was scheduled to fall.

"Final Valuation Date" means the date specified as such in the applicable Final Terms (being, the **"Scheduled Final Valuation Date"**) or:

- (a) where the W&C Instruments relate to a single Underlying Asset, if the Scheduled Final Valuation Date is not a Specified Trading Day or is a Disrupted Day, the Final Valuation Date shall be the earlier to occur of (i) the Specified Trading Day which is not a Disrupted Day immediately following the Scheduled Final Valuation Date, and (ii) the Final Valuation Cut-Off Date (notwithstanding that such day may be a Disrupted Day or is not a Specified Trading Day). If the Final Valuation Date falls on the Final Valuation Cut-Off Date following such adjustment and such day is not a Specified Trading Day or is a Disrupted Day, then the Calculation Agent shall, if the Underlying Asset is:
 - (A) an Index, determine the relevant level of the Index as of the Valuation Time for the Index on the Final Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such 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 for the Index on the Final Valuation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Final Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time for the Index on the Final Valuation Cut-Off Date); or
 - (B) a Share, determine the relevant price of the Share using the Calculation Agent's good faith estimate of the price for the Share as of the Valuation Time for the Share on the Final Valuation Cut-Off Date; or
 - (C) a Fund Share, determine the relevant price of the Fund Share using the Calculation Agent's good faith estimate of the price for the Fund Share as of the Valuation Time for the Fund Share on the Final Valuation Cut-Off Date; or
 - (D) a Fund Interest, take any Fund Event Action on or in relation to the Final Valuation Cut-Off Date as defined in Fund Linked Condition 4 (*Fund Events*) that the Calculation Agent, in its sole and absolute discretion, determines to be practicable, which may be determined by the Calculation Agent after all necessary information has been obtained and/or released by the Fund; or
- (b) where the W&C Instruments relate to a Basket of Underlying Assets, if the Scheduled Final Valuation Date is not a Common Trading Day or is a Disrupted Day for any Underlying Asset, the Final Valuation Date shall be the earlier to occur of (i) the Common Trading Day that is not a Disrupted Day for any Underlying Asset immediately following the Scheduled Final Valuation Date, and (ii) the Final Valuation Cut-Off Date (notwithstanding that such day may be a Disrupted Day for one or more Underlying Assets or is not a Common Trading Day). If the Final Valuation Date falls on the Final Valuation Cut-Off Date following such adjustment, then the Calculation Agent shall determine, in relation to each Underlying Asset for which the Final Valuation Date Cut-Off Date is a Disrupted Day for such Underlying Asset or is not a Specified Trading Day for such Underlying Asset, the relevant level or price of such Underlying Asset in accordance with:
 - (A) sub-paragraph (a)(A) above where such Underlying Asset is an Index;
 - (B) sub-paragraph (a)(B) above where such Underlying Asset is a Share;
 - (C) sub-paragraph (a)(C) above where such Underlying Asset is a Fund Share; or
 - (D) sub-paragraph (a)(D) above where such Underlying Asset is a Fund Interest.
- (c) Notwithstanding sub-paragraphs (a) and (b) above, if the or any Underlying Asset is a Fund Interest, following the occurrence of a Fund Event in relation to such Fund

Interest, the Calculation Agent may in its sole and absolute discretion decide whether to proceed under the provisions herein and/or under Fund Linked Condition 4 (*Fund Events*) only, without applying any of the provisions under this definition of "**Final Valuation Date**".

"**F₀**" means the Initial Underlying Asset Performance.

"**F_t**" means, in respect of any Valuation Date "t" and W&C Instruments that relate to:

- (a) a single Underlying Asset, the Underlying Asset Performance in respect of such Valuation Date, as determined by the Calculation Agent; or
- (b) a Basket of Underlying Assets, the Aggregate Underlying Asset Performance in respect of such Valuation Date, as determined by the Calculation Agent.

"**F_{t-1}**" means, in respect of:

- (a) any Valuation Date "t" other than the Initial Valuation Date and W&C Instruments that relate to:
 - (i) a single Underlying Asset, the Underlying Asset Performance for the immediately preceding Valuation Date; or
 - (ii) a Basket of Underlying Assets, the Aggregate Underlying Asset Performance for the immediately preceding Valuation Date; and
- (b) the Initial Valuation Date, the Initial Underlying Asset Performance.

"**F_{t-i}**" means, in respect of each Valuation Date "t" or the Strike Date (as applicable) (being, the "**Relevant Date**") and a given value of "i", and W&C Instruments that relate to:

- (a) a single Underlying Asset, the Underlying Asset Performance in respect of the Specified Trading day immediately preceding the day falling "j" Specified Trading Days prior to such Relevant Date; or
- (b) a Basket of Underlying Assets, the Aggregate Underlying Asset Performance in respect of the Common Trading Day immediately preceding the day falling "j" Common Trading Days prior to such Relevant Date.

"**F_{t-i-1}**" means, in respect of each Valuation Date "t" or the Strike Date (as applicable) (being, the "**Relevant Date**") and a given value of "i", and W&C Instruments that relate to:

- (a) a single Underlying Asset, the Underlying Asset Performance in respect of the Specified Trading Day immediately preceding the day falling "i" Specified Trading Days prior to such Relevant Date; or
- (b) a Basket of Underlying Assets, the Aggregate Underlying Asset Performance in respect of the Common Trading Day immediately preceding the day falling "i" Common Trading Days prior to such Relevant Date.

"**F_{t-j}**" means, in respect of each Valuation Date "t" or the Strike Date (as applicable) (being, the "**Relevant Date**") and a given value of "j", and W&C Instruments that relate to:

- (a) a single Underlying Asset, the Underlying Asset Performance in respect of the Specified Trading Day immediately preceding the day falling "j" Specified Trading Days prior to such Relevant Date; or
- (b) a Basket of Underlying Assets, the Aggregate Underlying Asset Performance in respect of the Common Trading Day immediately preceding the day falling "j" Common Trading Days prior to such Relevant Date.

"**F_{t-j-1}**" means, in respect of each Valuation Date "t" or the Strike Date (as applicable) (being, the "**Relevant Date**") and a given value of "j", and W&C Instruments that relate to:

- (a) a single Underlying Asset, the Underlying Asset Performance in respect of the Specified Trading Day immediately preceding the day falling "j" Specified Trading Days prior to such Relevant Date; or
- (b) a Basket of Underlying Assets, the Aggregate Underlying Asset Performance in respect of the Common Trading Day immediately preceding the day falling "q" Common Trading Days prior to such Relevant Date.

"**F_{t-q}**" means, in respect of each Valuation Date "t" or the Strike Date (as applicable) (being, the "**Relevant Date**"), and W&C Instruments that relate to:

- (a) a single Underlying Asset, the Underlying Asset Performance in respect of the day falling "q" Specified Trading Days prior to such Relevant Date; or
- (b) a Basket of Underlying Assets, the Aggregate Underlying Asset Performance in respect of the day falling "q" Common Trading Days prior to such Relevant Date.

"**F_{t-q-1}**" means, in respect of each Valuation Date "t" or the Strike Date (as applicable) (being, the "**Relevant Date**"), and W&C Instruments that relate to:

- (a) a single Underlying Asset, the Underlying Asset Performance in respect of the Specified Trading Day immediately preceding the day falling "q" Specified Trading Days prior to such Relevant Date; or
- (b) a Basket of Underlying Assets, the Aggregate Underlying Asset Performance in respect of the Common Trading Day immediately preceding the day falling "q" Common Trading Days prior to such Relevant Date.

"**Fixed Settlement Amount**" means an amount specified as such in the applicable Final Terms, provided that where "Fixed Settlement Amount" is specified as "Not Applicable" in the applicable Final Terms, "Fixed Settlement Amount" shall be deemed to be zero.

"**FX**" means an amount determined by the Calculation Agent to be equal to the FX Final divided by the FX Initial, or if the applicable Final Terms specify "FX" to be not applicable, then "FX" shall be deemed to have a value of one (1).

"**FX(AA)**" means, in respect of an Additional Amount Payment Date, an amount determined by the Calculation Agent to be equal to the quotient of (i) the Exchange Rate on the Exchange Rate Additional Amount Valuation Date immediately preceding such Additional Amount Payment Date, divided by (ii) the FX Initial, or if the applicable Final Terms specify "FX(AA)" to be not applicable, then "FX(AA)" shall be deemed to have a value of one (1).

"**FX Business Day**" means, in respect of the Exchange Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each of the Specified Financial Centres for such Exchange Rate, as specified in the applicable Final Terms.

"**FX Final**" means the Exchange Rate on the Exchange Rate Valuation Date.

"**FX Initial**" means the Exchange Rate on the Exchange Rate Strike Date.

"**FX Price Source**" means, in respect of the Exchange Rate, the price source(s) specified in the applicable Final Terms for such Exchange Rate, or if the relevant rate is not published or announced by such price source(s) at such relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"**FX Specified Price**" means, in respect of the Exchange Rate, any of the following prices (which must be a price published or announced by, or capable of being determined from information published or announced by, the relevant FX Price Source(s)) specified as such in the applicable Final Terms, being: (a) the spot rate of exchange; (b) the bid rate of exchange; or (c) the mid rate of exchange or (d) the offer rate of exchange.

"FX Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Initial Basket Value" means the amount specified as such in the applicable Final Terms.

"Initial Realised Volatility 1" means an amount specified as such in the applicable Final Terms.

"Initial Realised Volatility 2" means an amount specified as such in the applicable Final Terms.

"Initial Underlying Asset Performance" means the amount specified as such in the applicable Final Terms.

"Initial Valuation Date" means, in respect of W&C Instruments that relate to:

- (a) a single Underlying Asset, the first Specified Trading Day following the Strike Date; or
- (b) a Basket of Underlying Assets, the first Common Trading Day following the Strike Date.

"ln" means the natural logarithm.

"LockIn" means an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Rounded Highest Basket Value Multiplier} \times \text{LockIn Rate}$$

Where:

"Highest Basket Value" means an amount equal to the highest Basket Value determined by the Calculation Agent in respect of all the Valuation Dates falling in the period from, and including, the LockIn Observation Start Date and ending on, and including, the LockIn Observation End Date, as determined by the Calculation Agent;

"LockIn Observation End Date" means the date specified as such in the applicable Final Terms;

"LockIn Observation Start Date" means the date specified as such in the applicable Final Terms;

"LockIn Rate" means an amount specified as such in the applicable Final Terms;

"LockIn Trigger" means an amount specified as such in the applicable Final Terms; and

"Rounded Highest Basket Value Multiplier" means an amount equal to the quotient of (a) the Highest Basket Value minus one, divided by (b) the LockIn Trigger, and such quotient shall be further rounded down to the nearest whole number.

"M1" means an amount specified as such in the applicable Final Terms.

"M2" means an amount specified as such in the applicable Final Terms.

"Max" followed by a series of amounts brackets means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Min", followed by a series of amounts inside brackets means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"n" means an amount specified as such in the applicable Final Terms.

"N1" means an amount specified as such in the applicable Final Terms.

"N2" means an amount specified as such in the applicable Final Terms.

"NDP" means "**Number of Days in the Period**", being an amount specified in the applicable Final Terms.

"P" means "**Participation**", being the amount specified as such in the applicable Final Terms (which may be expressed as a percentage or decimal).

"q" means an amount specified as such in the applicable Final Terms.

"RA" means "**Reference Amount**" being the amount specified as such in the applicable Final Terms.

"Rate" means, in respect of any relevant day ("**Relevant Day**"), a rate equal to the Reference Rate for the Relevant Day which appears on the Relevant Screen Page at or around the Relevant Time (or, if the Relevant Time is specified to be not applicable in the applicable Final Terms, the Reference Rate which appears on the Relevant Screen Page for the Relevant Day) on the applicable Rate Determination Day, as determined by the Calculation Agent, provided that where "Rate" is specified as "Not Applicable" in the applicable Final Terms, "**Rate**" shall be deemed to be equal to zero. If such Reference Rate does not appear on the Relevant Screen Page at or around the Relevant Time on such Rate Determination Day, the Calculation Agent will determine the Rate for such Relevant Day acting in good faith and in a commercially reasonable manner.

"**Rate Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each of the Rate Financial Centres as specified in the applicable Final Terms.

"**Rate Determination Day**" means, in respect of the Rate for a Relevant Day, such Relevant Day, or, if specified in the applicable Final Terms, such number of Rate Business Days prior to such Relevant Day as specified in the applicable Final Terms.

"**Rate Financial Centres**" means the financial centre(s) specified in the applicable Final Terms, provided that if the Rate Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Rate Business Day shall also be or include, as is applicable, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system or any successor thereto is open.

"**RC/BC Price Source**" means, in respect of a Reference Currency/Base Currency Price, the price source(s) specified in the applicable Final Terms for such Reference Currency/Base Currency Price, or if the relevant rate is not published or announced by such RC/BC Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"**RC/BC Valuation Time**" means such time in such place specified as such in the applicable Final Terms.

"**RC/SC Price Source**" means, in respect of a Reference Currency/Subject Currency Price, the price source(s) specified in the applicable Final Terms for such Reference Currency/Subject Currency Price, or if the relevant rate is not published or announced by such RC/SC Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"**RC/SC Valuation Time**" means such time in such place specified as such in the applicable Final Terms.

"**Realised Volatility_t**" means, in respect of each Specified Trading Day or Common Trading Day (as applicable), if the applicable Final Terms specify:

- (a) "Realised Volatility 1" and "Realised Volatility 2" to be applicable, an amount determined by the Calculation Agent in accordance with the following formula:

$Max(RealisedVolatility1_t; RealisedVolatility2_t)$; or

- (b) "Realised Volatility 1" to be applicable and "Realised Volatility 2" to be not applicable, an amount equal to Realised Volatility 1_t.

"Realised Volatility 1_t" means, in respect of each Specified Trading Day or Common Trading Day (as applicable), if the applicable Final Terms specify:

- (a) "Realised Volatility 1A" to be applicable, an amount determined by the Calculation Agent in accordance with the following formula:

$$\sqrt{\frac{Y}{M1} \times \sum_{i=a}^b \left(\ln \left(\frac{F_{t-i}}{F_{t-i-1}} \right) \right) - \frac{X}{N1} \times \sum_{j=a}^b \ln \left(\frac{F_{t-j}}{F_{t-j-1}} \right)}^2}; \text{ or}$$

- (b) "Realised Volatility 1B" to be applicable, an amount determined by the Calculation Agent in accordance with the following formula:

$$\sqrt{Y \times \left[DF_{Long} \times \left(\frac{Realised Volatility 1_{t-1}}{\sqrt{Y}} \right)^2 + \left((1 - DF_{Long}) \times \ln \left(\frac{F_{t-q}}{F_{t-q-1}} \right)^2 \right) \right]}$$

"Realised Volatility 2_t" means, in respect of each Specified Trading Day or Common Trading Day (as applicable), if the applicable Final Terms specify:

- (a) "Realised Volatility 2A" to be applicable, an amount determined by the Calculation Agent in accordance with the following formula:

$$\sqrt{\frac{Y}{M2} \times \sum_{i=a}^c \left(\ln \left(\frac{F_{t-i}}{F_{t-i-1}} \right) \right) - \frac{X}{N2} \times \sum_{j=a}^c \ln \left(\frac{F_{t-j}}{F_{t-j-1}} \right)}^2}; \text{ or}$$

- (b) "Realised Volatility 2B" to be applicable, an amount determined by the Calculation Agent in accordance with the following formula:

$$\sqrt{Y \times \left[DF_{Short} \times \left(\frac{Realised Volatility 2_{t-1}}{\sqrt{Y}} \right)^2 + \left((1 - DF_{Short}) \times \ln \left(\frac{F_{t-q}}{F_{t-q-1}} \right)^2 \right) \right]}$$

"Realised Volatility 1_{t-1}" means, in respect of:

- (a) each Specified Trading Day or Common Trading Day (as applicable) following the Initial Valuation Date and W&C Instruments that relate to:
- (i) a single Underlying Asset, the Realised Volatility 1_t in respect of the Specified Trading Day immediately preceding such Specified Trading Day;
 - (ii) a Basket of Underlying Assets, the Realised Volatility 1_t in respect of the Common Trading Day immediately preceding such Common Trading Day;
- (b) each Specified Trading Day or Common Trading Day (as applicable) falling on or before the Initial Valuation Date, the Initial Realised Volatility 1.

"Realised Volatility 2_{t-1} " means, in respect of:

- (a) each Specified Trading Day or Common Trading Day (as applicable) following the Initial Valuation Date and W&C Instruments that relate to:
 - (i) a single Underlying Asset, the Realised Volatility 2_t in respect of the Specified Trading Day immediately preceding such Specified Trading Day;
 - (ii) a Basket of Underlying Assets, the Realised Volatility 2_t in respect of the Common Trading Day immediately preceding such Common Trading Day;
- (b) each Specified Trading Day or Common Trading Day (as applicable) falling on or before the Initial Valuation Date, the Initial Realised Volatility 2.

"Reference Currency" means the currency specified as such in the applicable Final Terms.

"Reference Currency/Base Currency Price" means, in respect of each Base Currency, an amount equal to the spot rate of exchange appearing on the RC/BC Price Source at the RC/BC Valuation Time on the relevant day for the exchange of such Base Currency into the Reference Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the RC/BC Price Source at the RC/BC Valuation Time on such day, the Calculation Agent shall determine the Reference Currency/Base Currency Price, taking into consideration all available information as it in good faith deems relevant. The "Reference Currency/Base Currency Price" shall be deemed to be a "Currency Price" for the purposes of these Product Conditions.

"Reference Currency/Subject Currency Price" means, in respect of each Subject Currency, an amount equal to the spot rate of exchange appearing on the RC/SC Price Source at the RC/SC Valuation Time on the relevant day for the exchange of such Subject Currency into the Reference Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Reference Currency can be exchanged), provided that if such rate is not published on the RC/SC Price Source at the RC/SC Valuation Time on such day, the Calculation Agent shall determine the Reference Currency/Subject Currency Price, taking into consideration all available information as it in good faith deems relevant. The "Reference Currency/Subject Currency Price" shall be deemed to be a "Currency Price" for the purposes of these Product Conditions.

"Reference Rate" means the LIBOR, HIBOR, EURIBOR, STIBOR, SIBOR, TIBOR, JIBAR or Dollar LIBOR (each as defined in Part 1 (*Note Product Conditions*) of "Annex 1 – Additional Product Terms and Conditions") for a period of the Designated Maturity as specified in the applicable Final Terms, provided that if Designated Maturity is specified to be not applicable, the Reference Rate means the overnight rate of the LIBOR, HIBOR, EURIBOR, STIBOR, SIBOR, TIBOR, JIBAR or Dollar LIBOR as specified in the applicable Final Terms.

"Relevant Screen Page" means the screen page specified in the applicable Final Terms (or any successor or replacement page to such page, as determined by the Calculation Agent).

"Relevant Price" has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*).

"Relevant Time" means such time in such place as specified as such in the applicable Final Terms.

" R_{t-1} " means, in respect of (a) any Valuation Date "t" other than the Initial Valuation Date, the Rate for the immediately preceding Valuation Date; and (b) the Initial Valuation Date, the Rate for the Strike Date.

"SA" means an amount specified as such in the applicable Final Terms.

"Scheduled Trading Day", in respect of an Underlying Asset that is:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); or
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"**Specified Financial Centres**" means the financial centre(s) specified in the applicable Final Terms, provided that if the Specified Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then an FX Business Day for the Exchange Rate shall also be or include a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system or any successor thereto is open.

"**Specified Trading Day**" means, in respect of an Underlying Asset that is:

- (a) an Index, a Scheduled Trading Day in respect of such Index;
- (b) a Share, a Scheduled Trading Day in respect of such Share;
- (c) a Fund Share, a Scheduled Trading Day in respect of such Fund Share; or
- (d) a Fund Interest, a Fund Specified Date in respect of such Fund Interest.

"**Specified Trading Day "t"**" means a relevant Specified Trading Day.

"**Strike**" means the amount specified as such in the applicable Final Terms.

"**Strike Date**" means the date specified as such in the applicable Final Terms corresponding to the relevant Underlying Asset, or, if, in respect of W&C Instruments that relate to:

- (a) a single Underlying Asset, such date is not a Specified Trading Day, the Strike Date shall be the next following Specified Trading Day which is not a Disrupted Day; or
- (b) a Basket of Underlying Assets, such date is not a Common Trading Day, the Strike Date shall be the next following Common Trading Day which is not a Disrupted Day for any Underlying Asset.

"**Subject Currency**" means the currency specified as such in the applicable Final Terms.

"**TA(Max)**" means "**Maximum Target Allocation**", being a percentage amount, expressed as a decimal for the purposes of calculation, specified as such in the applicable Final Terms, provided that if the Maximum Target Allocation is specified to be not applicable, for the purposes of the formula used to determine the Target Allocation, there shall be deemed to be no Maximum Target Allocation.

"**TA(Min)**" means "**Minimum Target Allocation**", being a percentage amount, expressed as a decimal for the purposes of calculation, specified as such in the applicable Final Terms, provided that if the Minimum Target Allocation is specified to be not applicable, the Minimum Target Allocation shall be deemed to be zero.

"**TA_t**" means "**Target Allocation**", being in respect of the Initial Valuation Date and any Valuation Date "t", an amount calculated by the Calculation Agent on such Valuation Date in accordance with the following formula:

$$Max \left[TA(Min); Min \left(TA(Max); \frac{Target\ Volatility}{Realised\ Volatility_t} \right) \right]$$

"**Target Volatility**" means a percentage amount, expressed as a decimal for the purposes of calculation, specified in the applicable Final Terms.

"**Underlying Asset "k"**" means each Underlying Asset in the Basket of Underlying Assets.

"Underlying Asset Performance" means, in respect of W&C Instruments that relate to a single Underlying Asset, each Specified Trading Day and the Underlying Asset, an amount determined by the Calculation Agent in accordance with the following formula:

$$F_0 \times \frac{ACV_t}{ACV_0}$$

"V" means an amount specified as such in the applicable Final Terms.

"Valuation Dates" means, in respect of W&C Instruments that relate to:

- (a) a single Underlying Asset, each of (i) the Strike Date, (ii) the Initial Valuation Date, (iii) each Additional Amount Reference Date (if any), (iv) the Final Valuation Date and (v) each Specified Trading Day which is not a Disrupted Day other than the dates listed in sub-paragraphs (i) to (iv); or
- (b) a Basket of Underlying Assets, each of (i) the Strike Date, (ii) the Initial Valuation Date, (iii) each Additional Amount Reference Date (if any), (iv) the Final Valuation Date and (v) each Common Trading Day which is not a Disrupted Day for any Underlying Asset other than the dates listed in sub-paragraphs (i) to (iv) above.

The definition of "Valuation Date" in each of Index Linked Condition 2 (*Definitions*), Share Linked Condition 2 (*Definitions*), Fund Linked Condition 1 (*General Definitions*) and Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*) shall not apply.

"Valuation Date "t" means each Valuation Date falling on or after the Initial Valuation Date.

"Volatility Controlled Basket Performance" means, in respect of an Additional Amount Reference Date, an amount determined by the Calculation Agent as being equal to the Basket Value_t on the Valuation Date falling on such Additional Amount Reference Date, minus the Initial Basket Value.

"Weighted Performance" means, in respect of W&C Instruments that relate to a Basket of Underlying Assets, each Common Trading Day and each Underlying Asset in the Basket of Underlying Assets, if the applicable Final Terms specify that:

- (a) "Aggregate Underlying Asset Performance 1" is applicable, an amount determined by the Calculation Agent in accordance with the following formula:

$$W_k \times \frac{ACV_{k,t}}{ACV_{k,0}}; \text{ or}$$

- (b) "Aggregate Underlying Asset Performance 2" is applicable, an amount determined by the Calculation Agent in accordance with the following formula:

$$W_k \times \frac{ACV_{k,t}}{ACV_{k,t-1}}$$

"W_k" means, in respect of each Underlying Asset "k" in the Basket of Underlying Assets, a percentage amount, expressed for the purposes of calculation as a decimal, specified in the applicable Final Terms as being the Weight in respect of such Underlying Asset "k".

"X" means an amount specified as such in the applicable Final Terms.

"Y" means an amount specified as such in the applicable Final Terms.

Part 5

Exchange Rate Conditions

The following provisions apply to Instruments in relation to which "Exchange Rate Conditions" is specified to be applicable in the applicable Final Terms.

1. Corrections to Published and Displayed Rates

Where the applicable Final Terms specifies that "Corrections to Published and Displayed Rates" is applicable, then:

- (a) in any case where a Currency Price is based on information obtained from the Reuters Monitor Money Rates Service, or any other financial information service, the Currency Price will be subject to the corrections, if any, to that information subsequently displayed by that source within one hour of the time when such rate is first displayed by such source, unless the Calculation Agent determines in its sole and absolute discretion that it is not practicable to take into account such correction;
- (b) notwithstanding paragraph 1(a) above, in any case where the Currency Price is based on information published or announced by any governmental authority in a relevant country, the Currency Price will be subject to the corrections, if any, to that information subsequently published or announced by that source within five calendar days of the relevant date, unless the Calculation Agent determines in its sole and absolute discretion that it is not practicable to take into account such correction.

2. Successor Currency

Where the applicable Final Terms specifies that "Successor Currency" is applicable in respect of a Currency Price, then:

- (a) each Subject Currency, Reference Currency and Base Currency will be deemed to include any lawful successor currency to the Subject Currency, Reference Currency or Base Currency (the "**Successor Currency**");
- (b) if the Calculation Agent determines that on or after the Successor Currency Reference Date but on or before any relevant date under the Instruments on which an amount may be payable, a country has lawfully eliminated, converted, redenominated or exchanged its currency in effect on the Issue Date or any Successor Currency, as the case may be (the "**Original Currency**") for a Successor Currency, then for the purposes of calculating any amounts of the Original Currency or effecting settlement thereof, any Original Currency amounts will be converted to the Successor Currency by multiplying the amount of Original Currency by a ratio of Successor Currency to Original Currency, which ratio will be calculated on the basis of the exchange rate set forth by the relevant country of the Original Currency for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination or exchange took place, as determined by the Calculation Agent. If there is more than one such date, the date closest to such relevant date will be selected (or such other date as may be selected by the Calculation Agent in its sole and absolute discretion);
- (c) notwithstanding paragraph (b) above but subject to paragraph (d) below, the Calculation Agent may (to the extent permitted by the applicable law), in good faith and in its sole and absolute discretion, select such other exchange rate or other basis for the conversion of an amount of the Original Currency to the Successor Currency and, will make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Instruments to account for such elimination, conversion, redenomination or exchange of the Subject Currency, Reference Currency or Base Currency, as the case may be; and
- (d) notwithstanding the foregoing provisions, with respect to any Subject Currency, Reference Currency or Base Currency that is substituted or replaced by the euro, the consequences of such substitution or replacement will be determined in accordance with applicable law.

3. **Rebasing of Instruments**

If the applicable Final Terms specifies that "Rebasing" is applicable, then if, on or prior to any Valuation Date or Averaging Date or any other relevant date, the Calculation Agent is unable to obtain a value for a Subject Currency or Reference Currency (because the Subject Currency, the Reference Currency and/or Base Currency ceases to exist, or for any other reason other than a temporary disruption, as determined by the Calculation Agent), the Calculation Agent may rebase the Instruments against another foreign exchange rate determined by the Calculation Agent, in its sole and absolute discretion, to be a comparable foreign exchange rate.

If the Calculation Agent determines in its sole and absolute discretion that there is not such a comparable foreign exchange rate, the Issuer in its sole and absolute discretion may take the action described in (a) or (b) below:

- (a) in the case of Notes, give notice to Holders in accordance with Note Condition 13 (*Notices*) and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
- (b) in the case of W&C Instruments, give notice to the Holders in accordance with W&C Instruments Condition 12 (*Notices*) and cancel the W&C Instruments. If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the inability of the Calculation Agent to obtain a value for the Subject Currency or Reference Currency (as applicable) less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).

4. **Related Definitions**

The following terms shall have the following meanings for the purposes of this Part 5 (in addition to any other relevant defined terms set out in Note Product Condition 5 (*Other Definitions*) in respect of Notes, in W&C Instruments Product Condition 5 (*Other Definitions*) in respect of W&C Instruments, and elsewhere in the Terms and Conditions):

"**Averaging Date**" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);
- (d) a Fund Interest, has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*); and
- (e) a Hybrid Asset, has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

"**Base Currency**" means the currency specified as such in the applicable Final Terms.

"**Currency Price**" means, in relation to each Instrument or Unit, as the case may be, in respect of each Subject Currency, an amount equal to the FX Specified Price appearing on the FX Price Source at or around the FX Valuation Time on the relevant date for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Subject Currency for which one unit of the Base Currency can be exchanged).

"Exchange Rate" in respect of (a) Notes, has the meaning given to it in Note Product Condition 5 (*Other Definitions*), and (b) W&C Instruments, has the meaning given to it in W&C Instruments Product Condition 5 (*Other Definitions*).

"FX Business Day" means, in respect of an Exchange Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each of the Specified Financial Centres for such Exchange Rate, as specified in the applicable Final Terms.

"FX Price Source" means, in respect of the Exchange Rate, the price source(s) specified in the applicable Final Terms for such Exchange Rate, or if the relevant rate is not published or announced by such price source(s) at such relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"FX Specified Price" means, in respect of the Exchange Rate, any of the following prices (which must be a price published or announced by, or capable of being determined from information published or announced by, the relevant FX Price Source(s)) specified as such in the applicable Final Terms, being: (a) the spot rate of exchange; (b) the bid rate of exchange; or (c) the mid rate of exchange or (d) the offer rate of exchange.

"FX Valuation Time" means such time in such place specified as such in the applicable Final Terms.

"Reference Currency" means the currency specified as such in the applicable Final Terms.

"Specified Financial Centres" means the financial centre(s) specified in the applicable Final Terms, provided that if the Specified Financial Centre is specified in the applicable Final Terms to be or to include "TARGET", then Business Day shall also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system or any successor thereto is open.

"Subject Currency" means the currency specified as such in the applicable Final Terms.

"Successor Currency Reference Date" means the Strike Date or such other date specified as such in the applicable Final Terms.

"Valuation Date" in respect of:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);
- (d) a Fund Interest, has the meaning given to it in Fund Linked Condition 3 (*Definitions (Funds other than Exchange Traded Funds)*); and
- (e) a Hybrid Asset, has the meaning given to it in Hybrid Basket Linked Condition 2 (*Definitions*).

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR INDEX LINKED INSTRUMENTS

1. **Interpretation**

If specified to be applicable in the applicable Final Terms, the terms and conditions applicable to Index Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**"), the Additional Terms and Conditions for Index Linked Instruments set out below (the "**Index Linked Conditions**") and the applicable Product Conditions. The terms and conditions applicable to Index Linked W&C Instruments shall comprise the terms and conditions of the W&C Instruments (the "**W&C Instruments Conditions**"), the Index Linked Conditions and the applicable Product Conditions. In the event of any inconsistency between the Note Conditions, in the case of Notes, and the W&C Instruments Conditions, in the case of W&C Instruments, and the Index Linked Conditions, the Index Linked Conditions shall prevail. References in the Index Linked Conditions to "Instrument" and "Instruments" shall be deemed to be references to "Note" and "Notes" or "W&C Instrument" and "W&C Instruments" as the context admits.

2. **Definitions**

For the purposes of these Index Linked Conditions:

"Averaging Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

"Averaging Date" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day (or, where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day:

- (a) if "**Omission**" is specified as applicable in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level or price provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level or price on the final Averaging Date, as if such final Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as applicable in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level or price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if "**Modified Postponement**" is specified as applicable in the applicable Final Terms then:

- (i) where the Index Linked Instruments 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 Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
- (ii) where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below;
- (iii) where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Common Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day for the Index, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (c)(ii) of the definition of "Valuation Date" below; or
- (iv) where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Averaging Date for each Index shall be the first succeeding Common Valid Date in relation to such Index. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (d)(ii) of the definition of "Valuation Date" below,

and, for the purposes of these Index Linked Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur, and "**Common Valid Date**" means a Common Scheduled Trading Day

that is not a Disrupted Day for any Index, and on which another Averaging Date does not or is deemed not to occur.

"Barrier Event Determination Day (closing)" means, in respect of an Index and an Observation Period, each Scheduled Trading Day which is not a Disrupted Day for such Index falling in such Observation Period.

"Barrier Event Determination Day (intraday)" means, in respect of an Index and an Observation Period, each day falling in such Observation Period on which the level of such Index is published and/or disseminated by the Index Sponsor, regardless of whether such day is a Scheduled Trading Day or is a Disrupted Day for such Index.

"Barrier Event Valuation Time (closing)" means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, the Scheduled Closing Time on the relevant Exchange on the relevant Barrier Event Determination Day, as the case may be, in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Barrier Event Valuation Time (closing) is after the actual closing time for its regular trading session, then the Barrier Event Valuation Time (closing) shall be such actual closing time; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of any Component Security, the Scheduled Closing Time on the relevant Exchange and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"Barrier Event Valuation Time (intraday)" means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the relevant Exchange.

"Basket of Indices" means, subject to adjustment in accordance with these Index Linked Conditions, a basket composed of Indices in their relative proportions or number of Indices, as specified in the applicable Final Terms.

"Common Scheduled Trading Day" means, in respect of a Basket of Indices, each day which is a Scheduled Trading Day for all the Indices in the Basket of Indices.

"Component Security" means, in respect of an Index, any share or other component security included in such Index as determined by the Calculation Agent and related expressions shall be construed accordingly.

"Disrupted Day" means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (ii) the Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

"Early Closure" means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day, or (ii) the submission deadline for orders to be entered into on the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"Exchange" means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

"Exchange Business Day" means (a) where the relevant Index is specified in the applicable Final Terms to be a Unitary Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time or (b) where the relevant Index is specified in the applicable Final Terms to be a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index, and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means:

- (a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
- (b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the

Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the relevant Related Exchange.

"Index" and **"Indices"** mean, subject to adjustment in accordance with the Index Linked Conditions, the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Index Closing Level" means, in respect of an Index and any relevant date, subject to these Index Linked Conditions, an amount equal to the official closing level (which shall be deemed to be an amount in the Index Currency (if specified in the applicable Final Terms)) of such Index as determined by the Calculation Agent on such date.

"Index Currency" means in respect of an Index, the index currency specified in the applicable Final Terms.

"Index Level" means, in respect of an Index and a time on any day, and subject to these Index Linked Conditions, the level (which shall be deemed to be an amount in the Index Currency (if specified in the applicable Final Terms)) of such Index at such time on such day as determined by the Calculation Agent.

"Index Performance" means, in respect of an Index and any relevant day, an amount determined by the Calculation Agent as being equal to (a) the Index Closing Level of such Index on such day, divided by (b) the Initial Level of such Index.

"Index Sponsor" means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

"Multi-Exchange Index" means any Index for which the "Type of Index" is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

"Observation Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Observation Date or, if earlier, the Scheduled Trading Day (or, where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which such Observation Date was scheduled to fall.

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms, or if such date is not a Scheduled Trading Day the immediately following Scheduled Trading Day (or, where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day) or, if earlier, the Observation Cut-Off Date. If any such day is a Disrupted Day, then:

- (a) where the Index Linked Instruments relate to a single Index, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, (i) the Observation Cut-Off Date shall be deemed to be such Observation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the

Calculation Agent shall determine the relevant level of the Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date);

- (b) where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or, if earlier, the Observation Cut-Off Date) and the Observation Date for each Index affected (each an "**Affected Index**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Observation Date falls on the Observation Cut-Off Date for an Index owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Index, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date);
- (c) where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Observation Cut-Off Date) and the Observation Date for each Index affected (each an "**Affected Index**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date (or if such Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has

occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date); or

- (d) where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Observation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Index, unless each of the Common Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day for one or more Indices. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Observation Cut-Off Date of each security comprised in each Index for which the Observation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date).

"Related Exchange" means, in relation to any Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Observation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

"Scheduled Trading Day" means in respect of:

- (a) any Unitary Index, any day on which each Exchange and each Related Exchange for the Index are scheduled to be open for trading for their respective regular trading sessions; or
- (b) any Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index, and (ii) the Related Exchange for the Index is scheduled to be open for trading for its regular trading session.

"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.

"Specified Barrier Event Determination Day (closing)" means, in respect of an Index, each date specified as such in the applicable Final Terms, notwithstanding that such day may not be a Scheduled Trading Day or is a Disrupted Day for such Index.

"Specified Barrier Event Determination Day (intraday)" means, in respect of an Index, each date specified as such in the applicable Final Terms, notwithstanding that such day may not be a day on which any level of such Index is published and/or disseminated by the Index Sponsor.

"Strike Date" means, in respect of an Index, the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day for such Index or is a Disrupted Day for such Index: (a) if "Strike Date is Adjusted as an Observation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as an Observation Date, or (b) if "Strike Date is Adjusted as a Valuation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a Valuation Date.

"Trading Disruption" means:

- (a) in respect of any Unitary Index, any suspension of, or limitation imposed on, trading by any relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to securities that comprise 20 per cent. or more of the level of such Index on any relevant Exchange, or (ii) in futures or options contracts relating to such Index on any relevant Related Exchange; and
- (b) in respect of any Multi-Exchange Index, any suspension or limitation imposed on trading by any relevant Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to any Component Security on the Exchange in respect of such Component Security, or (ii) in futures or options contracts relating to the Index on the Related Exchange.

"Unitary Index" means any Index for which the "Type of Index" is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

"Valuation Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date, or, if earlier, the Scheduled Trading Day (or, where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

"Valuation Date" means each date specified as a Valuation Date in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day (or, where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day) or, if earlier, the Valuation Cut-Off Date. If such day is a Disrupted Day, then:

- (a) where the Index Linked Instruments relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on

which it was scheduled to fall not being a Scheduled Trading Day for the Index, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level of the Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*) below) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date);

- (b) where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Index affected (each an "**Affected Index**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Index, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in that Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date);
- (c) where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Index affected (each an "**Affected Index**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant level of that Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as

of the Valuation Time on the Valuation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date); or

- (d) where the Index Linked Instruments relate to a Basket of Indices and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Index, unless each of the Common Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day for one or more Indices. In that case, or if the Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in each Index for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date).

"Valuation Time" means:

- (a) in respect of any Unitary Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (A) any Exchange, the Scheduled Closing Time of the Exchange (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (B) any options contracts or futures contracts on such Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or
- (b) in respect of any Multi-Exchange Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"Worst Performing Index" means, in respect of a Basket of Indices and any relevant day, the Index with the lowest Index Performance on such day as determined by the Calculation Agent (provided that if two or more Indices have the same lowest Index Performance on such day, the Calculation Agent shall determine which Index shall be the Worst Performing Index in its sole and absolute discretion, and such Index shall be the Worst Performing Index).

3. **Market Disruption**

"Market Disruption Event" means:

- (a) in respect of any Unitary Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event in respect of a Unitary Index exists at any time, if a Market Disruption Event (as defined in the Share Linked Conditions in relation to a share) occurs in respect of a Component Security included in the Index at any time, then the relevant percentage contribution of such Component Security to the level of the Index shall be based on a comparison of (A) the portion of the level of the Index attributable to such Component Security and (B) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event;

- (b) in respect of any Multi-Exchange Index either:
 - (i) (A) the occurrence or existence, in respect of any Component Security, of:
 - (1) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (2) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (3) an Early Closure; and
 - (B) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or
 - (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of (A) a Trading Disruption, (B) an Exchange Disruption which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange or (C) an Early Closure.

For the purposes of determining whether a Market Disruption Event in respect of a Multi-Exchange Index exists at any time, if a Market Disruption Event (as defined in the Share Linked Conditions in relation to a share) occurs in respect of a Component Security at that time, then the relevant percentage contribution of such Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security and (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

4. **Adjustments and Corrections to an Index**

- (a) Consequences of a Successor Index Sponsor or a Successor Index

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the **"Successor Index Sponsor"**) acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for

and method of calculation as used in the calculation of that Index, then in each case that index (the "Successor Index") will be deemed to be the Index.

(b) Modification and Cessation of Calculation of an Index

If (i) on or prior to a Valuation Date, an Observation Date or an Averaging Date (or other relevant date, as determined by the Calculation Agent), the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation or contracts and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (ii) on a Valuation Date, an Observation Date or an Averaging Date (or other relevant date, as determined by the Calculation Agent), the Index Sponsor or, if applicable, the Successor Index Sponsor fails to calculate and announce a relevant Index, provided that, in respect of an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day (an "**Index Disruption**" and, together with an Index Modification and an Index 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 Index Linked Instruments and, if so, calculate the relevant level or price using, in lieu of a published level for such Index, the level for such Index as at the Valuation Time on that Valuation Date, Observation Date or Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating such Index last in effect prior to the change, failure or cancellation, but using only those securities or components that comprised such Index immediately prior to that Index Adjustment Event; or
- (B)
 - (1) in the case of Notes, on giving notice to the Noteholders in accordance with Note Condition 13 (*Notices*), redeem all (but not less than all) of the Notes, each Note being redeemed at the Early Redemption Amount; or
 - (1) in the case of W&C Instruments, on giving notice to Holders in accordance with W&C Instruments Condition 12 (*Notices*), cancel the W&C Instruments. If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or any of its Affiliates of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Note Condition 13 (*Notices*) or Holders in accordance with W&C Instruments Condition 12 (*Notices*), as applicable, giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action. The Issuer shall make available for inspection by Holders copies of any such determinations.

(c) Corrections to an Index

If the level of a relevant Index published on any Valuation Date, Observation Date or Averaging Date (or other relevant date, as determined by the Calculation Agent), as the case may be, by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor and which is utilised for any calculation or determination made for the purposes of the Index Linked Instruments (a "**Relevant Calculation**") is subsequently corrected and the correction (the "**Corrected Index Level**") is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor no later than two Business Days prior to the date on which payment of any amount or delivery of any assets may have to be made pursuant to such Relevant Calculation, then such Corrected Index Level shall be deemed to be the relevant level for such Index on such Averaging Date, Observation Date or Valuation Date (or other relevant date, as determined by the Calculation Agent), as the case may be, and the Calculation Agent shall use such Corrected Index Level in determining the relevant level or price and/or whether a Barrier Event has occurred.

(d) Additional Index Adjustment Event

If, on or prior to a Strike Date, Valuation Date, an Observation Date or an Averaging Date (or other relevant date, as determined by the Calculation Agent), the Issuer has determined and notified the Calculation Agent that a U.S. Withholding Tax Event has occurred on or prior to such date, then:

- (i) regardless of whether an Index Substitution Event takes place pursuant to the below, the Calculation Agent may make such adjustments or reductions to the Index Closing Level (or any other relevant level) of the relevant Index in respect of the Strike Date, any Valuation Date, any Observation Date, any Averaging Date or any other relevant date, and/or any adjustment(s), if any, to one or more of any variables relevant to the redemption, cancellation, payment, calculation of any amount payable or other terms of the Instruments, as the Calculation Agent determines appropriate to account for the economic effect of such U.S. Withholding Tax Event, including after giving effect to any Index Substitution Event (if any); and/or
- (ii) notwithstanding the Issuer's right to, in the case of Notes, redeem the Notes early at its option pursuant to Note Condition 6 (*Redemption and Purchase*) or, in the case of W&C Instruments, cancel the W&C Instruments at its option pursuant to W&C Instruments Condition 8(A) (*Cancellation for Tax Reasons*), following the occurrence of such U.S. Withholding Tax Event, the Issuer may, at its option, upon notification by the Issuer to the Calculation Agent that it wishes to substitute a Successor Index for the relevant Index (such event, an "**Index Substitution Event**"), determine that the relevant Index shall be replaced by the Successor Index with effect from the date specified by the Issuer and not, in the case of Notes, redeem the Notes early at its option pursuant to Note Condition 6 (*Redemption and Purchase*) nor, in the case of W&C Instruments, cancel the W&C Instruments at its option pursuant to W&C Instruments Condition 8(A) (*Cancellation for Tax Reasons*), and, following the Index Substitution Event coming into effect, the Calculation Agent may make such adjustments or reductions to the Index Closing Level (or any other relevant level) of the relevant Successor Index in respect of the Strike Date, any Valuation Date, any Observation Date, any Averaging Date or any other relevant date, and/or any adjustment(s), if any, to one or more of any variables relevant to the redemption, cancellation, payment, calculation of any amount payable, or other terms of the Notes or W&C Instruments, as the Calculation Agent determines appropriate to account for the economic effect of such Index Substitution Event (if any). The Issuer will notify holders of the occurrence and terms of such Index Substitution Event, in the case of Notes, in accordance with Note Condition 13 (*Notices*) and, in the case of W&C Instruments, in accordance with W&C Instruments Condition 12 (*Notices*) (the date of such notification, in the case of Notes pursuant to Note Condition 13 (*Notices*) and, in

the case of W&C Instruments pursuant to W&C Instruments Condition 12 (*Notices*), being the "**Index Substitution Event Notification Date**"). The Issuer's determination, in the case of Notes, not to redeem the Notes early and, in the case of W&C Instruments, not to cancel the W&C Instruments, following a U.S. Withholding Tax Event shall not affect its right to, in the case of Notes, redeem the Notes early for any other tax reasons pursuant to the Note Condition 6 (*Redemption and Purchase*) or, in the case of W&C Instruments, cancel the W&C Instruments for any other tax reason pursuant to W&C Instruments Condition 8 (*Cancellation for Tax Reasons and Tax Compliance Reasons*), at any time during the term of the Notes or W&C Instruments, as applicable (whether before, at the same time, or after the occurrence of the U.S. Withholding Tax Event which gave rise to such Index Substitution Event).

Following the occurrence of an Index Substitution Event: (a) in the case of Notes each Noteholder shall have the option, upon such Noteholder giving the Issuer, in accordance with Note Condition 13 (*Notices*), not less than 10 nor more than 30 calendar days' notice from the Index Substitution Event Notification Date to redeem the Notes held by such Noteholder in whole (but not in part), and, the Issuer, upon the expiration of such notice, will redeem such Notes on the Index Substitution Optional Redemption Date and at the Index Substitution Optional Redemption Amount; or (b) in the case of W&C Instruments each Holder shall have the option, upon such Holder giving the Issuer, in accordance with W&C Instruments Condition 12 (*Notices*), not less than 10 nor more than 30 calendar days' notice from the Index Substitution Event Notification Date to cancel the W&C Instruments held by such Holder in whole (but not in part), and, the Issuer, upon the expiration of such notice, will cancel such W&C Instruments on the Index Substitution Optional Cancellation Date at the Index Substitution Optional Cancellation Amount.

In the case of Notes the following procedures apply to the election of the option described in paragraph (i) above: if the Note is represented by an Individual Note Certificate and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of the Note the holder of the Note must deliver, in respect of Definitive Registered Notes represented by Individual Note Certificates, at the specified office of the Registrar at any time during normal business hours of the Registrar falling within the notice period, a duly signed and completed Put Notice and in which the Holder must specify a bank account (or, if payment is required by cheque, an address) to which payment is to be made under this Index Linked Condition 5(d) accompanied by the relevant Individual Note Certificate(s) or evidence satisfactory to the Registrar that the Individual Note Certificate(s) will, following delivery of the Put Notice, be held to its order or under its control.

If the Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of the Note the holder of the Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or the Common Depositary or its nominee or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if the Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent or the Registrar, as applicable for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Index Linked Condition 5(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the

Issuer to withdraw the notice given pursuant to this Index Linked Condition 5(d) and instead to declare such Note forthwith due and payable pursuant to Note Condition 10 (*Events of Default*).

In the case of Certificates, the following procedures shall apply to the election of the option described in paragraph (ii) above: the Holder must deliver by fax or authenticated SWIFT message (confirmed in writing) a duly completed notice of exercise (a "**Put Notice**") in the form set out in the Agency Agreement to (a) in the case of Euroclear/CBL Certificates, Euroclear or Clearstream, Luxembourg with a copy to Merrill Lynch International and the Principal Certificate Agent, (b) in the case of CBF Certificates, the Principal Certificate Agent with a copy to Merrill Lynch International, (c) in the case of Swedish Certificates, the Swedish Instrument Agent with a copy to Merrill Lynch International, (d) in the case of Finnish Certificates, the Finnish Instrument Agent with a copy to Merrill Lynch International, (e) in the case of CREST Certificates, the CREST Agent with a copy to Merrill Lynch International, (f) in the case of Global Certificates, in registered form, the relevant Clearing System with a copy to Merrill Lynch International and (g) in the case of Definitive Registered Certificates, the Registrar with a copy to Merrill Lynch International. Copies of the Put Notice are available at the specified offices of the Agents and the Registrar. Once delivered a Put Notice shall be irrevocable and the Certificates the subject of such notice may not be transferred.

In the case of Warrants, the procedure specified in the relevant paragraph of W&C Instruments Condition 23 (*Exercise Rights (Warrants)*) shall apply to the election of the option described in paragraph (ii) above, provided that for the purposes of this Index Linked Condition 5(d) the words "Settlement Date" and "Actual Exercise Date" shall be deemed to be deleted and replaced with the words "Index Substitution Optional Cancellation Date".

"Index Substitution Optional Cancellation Amount" means, in respect of each W&C Instrument, the fair market value of the W&C Instrument less the cost to the Issuer and/or its Affiliates or agents of unwinding any underlying hedging arrangement (including any cost of funding in respect of such hedging arrangements) as determined by the Calculation Agent (determined on or after the Index Substitution Event Notification Date) (taking into account, if applicable, any and all adjustments made to the levels of the relevant Index or Successor Index and the terms of the W&C Instruments made pursuant to paragraphs (i) and (ii) of Index Linked Condition 4(d) (*Additional Index Adjustment Event*)).

"Index Substitution Optional Cancellation Date" means, in respect of each W&C Instrument, a date selected by the Issuer, which shall be not earlier than the fifth Business Day following the Index Substitution Event Notification Date and not later than the 60th calendar day following the Index Substitution Event Notification Date.

"Index Substitution Optional Redemption Amount" means, in respect of each Note, the Market Value less Associated Costs (determined on or after the Index Substitution Event Notification Date) as provided in Note Condition 6(E) (*Early Redemption Amounts*) (taking into account, if applicable, any and all adjustments made to the levels of the relevant Index or Successor Index and the terms of the Notes made pursuant to paragraphs (i) and (ii) of Index Linked Condition 4(d) (*Additional Index Adjustment Event*)).

"Index Substitution Optional Redemption Date" means, in respect of each Note, a date selected by the Issuer, which shall be not earlier than the fifth Business Day following the Index Substitution Event Notification Date and not later than the 60th calendar day following the Index Substitution Event Notification Date.

"U.S. Withholding Tax Event" means an event with respect to the Notes, as defined in Note Condition 6(B) (*Redemption For Tax Reasons*) and, with respect to the W&C Instruments, as defined in W&C Instruments Condition 8(A) (*Cancellation For Tax Reasons*).

5. Additional Disruption Events

"Additional Disruption Event" means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"Change in Law" means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant security comprised in an Index or (B) the Issuer will incur a materially increased cost in performing its obligations in relation to the Index Linked Instruments (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

"Hedging Disruption" means that the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Index Linked Instruments, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates or agents acting on its behalf would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Index Linked Instruments, or (ii) 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 or agents shall not be deemed an Increased Cost of Hedging.

- (a) If Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) give notice to Holders in accordance with Note Condition 13 (*Notices*) or W&C Instruments Condition 12 (*Notices*), as applicable, and (A) in the case of Notes, redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or (B) in the case of W&C Instruments, cancel the W&C Instruments and pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).

- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

"Trade Date" in respect of (a) Notes, has the meaning given to it in Part 1 (*Note Product Conditions*) of "Annex 1 - *Additional Product Terms and Conditions*", and (b) W&C Instruments, has the meaning given to it in Part 2 (*W&C Instruments Product Conditions*) of "Annex 1 - *Additional Product Terms and Conditions*".

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR SHARE LINKED INSTRUMENTS

1. **Interpretation**

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Share Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**"), the Additional Terms and Conditions for Share Linked Instruments set out below (the "**Share Linked Conditions**") and the applicable Product Conditions. The terms and conditions applicable to Share Linked W&C Instruments shall comprise the terms and conditions of the W&C Instruments (the "**W&C Instruments Conditions**"), the Share Linked Conditions and the applicable Product Conditions. In the event of any inconsistency between the Note Conditions, in the case of Notes, and the W&C Instruments Conditions, in the case of W&C Instruments, and the Share Linked Conditions, the Share Linked Conditions shall prevail. References in the Share Linked Conditions to "Instrument" and "Instruments" shall be deemed to be references to "Note" and "Notes" or "W&C Instrument" and "W&C Instruments" as the context admits.

2. **Definitions**

For the purposes of these Share Linked Conditions:

"Affected Share Strike Date" means the Strike Date of the relevant Affected Share or any other date specified as such in the applicable Final Terms.

"Averaging Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

"Averaging Date" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day, (or, where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day:

- (a) if "**Omission**" is specified as applicable in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant price; provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant price on the final Averaging Date, as if such final Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as applicable in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such

determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (c) if "**Modified Postponement**" is specified as applicable in the applicable Final Terms then:
- (i) where the Share Linked Instruments relate to a single Share, 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 Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Share, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
 - (ii) where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for a Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Share, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub- paragraph (b)(ii) of the definition of "Valuation Date" below;
 - (iii) where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Common Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for a Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Share, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (c)(ii) of the definition of "Valuation Date" below; or
 - (iv) where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Averaging Date for each Share shall be the first succeeding Common Valid Date in relation to such Share. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the

Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (d)(ii) of the definition of "Valuation Date" below,

and, for the purposes of these Share Linked Conditions **"Valid Date"** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur, and **"Common Valid Date"** means a Common Scheduled Trading Day that is not a Disrupted Day for any Share and on which another Averaging Date does not or is deemed not to occur.

"Barrier Event Determination Day (closing)" means, in respect of a Share and an Observation Period, each Scheduled Trading Day which is not a Disrupted Day for such Share falling in such Observation Period.

"Barrier Event Determination Day (intraday)" means, in respect of a Share and an Observation Period, each day falling in such Observation Period on which the price of such Share is quoted on the relevant Exchange, regardless of whether such day is a Scheduled Trading Day or Disrupted Day for such Share.

"Barrier Event Valuation Time (closing)" means, in respect of each Share to be valued, the Scheduled Closing Time on the relevant Exchange on the Barrier Event Determination Day (closing). If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Barrier Event Valuation Time (closing) is after the actual closing time for its regular trading session, then the Barrier Event Valuation Time (closing) shall be such actual closing time.

"Barrier Event Valuation Time (intraday)" means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the Exchange.

"Basket of Shares" means a basket composed of Shares in their relative proportions or number of Shares, as specified in the applicable Final Terms.

"Cash Settled Instruments" means Instruments that entitle the holder, upon due exercise and subject to certification of non-U.S. beneficial ownership, to receive from the Issuer, on the Settlement Date, the Cash Settlement Amount.

"Common Scheduled Trading Day" means, in respect of a Basket of Shares, each day which is a Scheduled Trading Day for all the Shares in the Basket of Shares.

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day, and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share on any relevant Related Exchange.

"Observation Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Observation Date or, if earlier, the Scheduled Trading Day (or, where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which such Observation Date was scheduled to fall.

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms, or if such date is not a Scheduled Trading Day the immediately following Scheduled Trading Day (or, where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Observation Cut-Off Date. If any such day is a Disrupted Day, then:

- (a) where the Share Linked Instruments relate to a single Share, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, (i) the Observation Cut-Off Date shall be deemed to be such Observation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Observation Cut-Off Date;
- (b) where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Observation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or, if earlier, the Observation Cut-Off Date) and the Observation Date for each Share affected (each an "**Affected Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Share (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Share, its good faith estimate of the price for such Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions;

- (c) where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Observation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Observation Cut-Off Date) and the Observation Date for each Share affected (each an "**Affected Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to and including the Observation Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Share (notwithstanding the fact that such day may be a Disrupted Day for a Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Share, its good faith estimate of the price for such Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions; or
- (d) where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Observation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Share, unless each of the Common Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day for one or more Shares. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day for a Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Share for which the Observation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, its good faith estimate of the price for such Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions.

"Physical Delivery Notes" means Notes redeemed by physical delivery.

"Related Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Observation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

"Scheduled Trading Day" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"Shares" and **"Share"** mean, subject to adjustment in accordance with these Share Linked Conditions, the shares or a share specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Share Company" means, in respect of a Share, the company that has issued such Share.

"Share Closing Price" means, in respect of a Share and any relevant date, subject to these Share Linked Conditions, an amount equal to the official closing price of such Share quoted on the relevant Exchange as determined by the Calculation Agent on such date.

"Share Price" means, in respect of a Share and a time on any day and subject to these Share Linked Conditions, the price of such Share at such time on such day as determined by the Calculation Agent.

"Share Substitution Criteria" means (and the Share Substitution Criteria shall be deemed to be satisfied if), in respect of a Share and any other relevant share:

- (a) the relevant issuer of such other relevant share belongs to a similar economic sector as the Share Company in respect of such Share; and
- (b) the relevant issuer of such other relevant share has a comparable market capitalisation and international standing as the Share Company in respect of such Share.

"Specified Barrier Event Determination Day (closing)" means, in respect of a Share, each date specified as such in the applicable Final Terms, notwithstanding that such day may not be a Scheduled Trading Day or is a Disrupted Day for such Share.

"Specified Barrier Event Determination Day (intraday)" means, in respect of a Share, each date specified as such in the applicable Final Terms, notwithstanding that such day may not be a day on which any price of such Share is quoted on the relevant Exchange.

"Strike Date" means, in respect of a Share, the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day for such Share or is a Disrupted Day for such Share: (a) if "Strike Date is Adjusted as an Observation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as an Observation Date, or (b) if "Strike Date is Adjusted as a Valuation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a Valuation Date.

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Share on the Exchange or (b) in futures or options contracts relating to the Share on any relevant Related Exchange.

"Valuation Cut-Off Date" means:

- (a) the eighth Scheduled Trading Day (or, where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date or, if earlier, the Scheduled Trading Day (or, where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or

determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall; or

- (b) where the applicable Final Terms specify "Valuation Cut-Off Date Amendment" is applicable, "Valuation Cut-Off Date" means in respect of:
 - (i) each Fixed Interest Payment Date, the fifth Common Scheduled Trading Day (or such other number of Common Scheduled Trading Days as specified in the applicable Final Terms) immediately preceding such Fixed Interest Payment Date;
 - (ii) each Underlying Asset Linked Interest Payment Date, the fifth Common Scheduled Trading Day (or such other number of Common Scheduled Trading Days as specified in the applicable Final Terms) immediately preceding such Underlying Asset Linked Interest Payment Date;
 - (iii) the Maturity Date, the fifth Common Scheduled Trading Day (or such other number of Common Scheduled Trading Days as specified in the applicable Final Terms) immediately preceding the Maturity Date,

or, in each case, if earlier, the Common Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding such Fixed Interest Payment Date, Underlying Asset Linked Interest Payment Date or Maturity Date, as applicable, provided that the Valuation Cut-Off Date shall not fall prior to the Scheduled Valuation Date in respect of the Valuation Date immediately preceding such Fixed Interest Payment Date, Underlying Asset Linked Interest Payment Date or Maturity Date, as applicable.

"Valuation Date" means each date specified as a Valuation Date in the applicable Final Terms, or if that is not a Scheduled Trading Day the immediately following Scheduled Trading Day, (or, where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Valuation Cut-Off Date. If such day is a Disrupted Day, then:

- (a) where the Share Linked Instruments relate to a single Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to, and including, the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date;
- (b) where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Share affected (each an **"Affected Share"**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Share (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using,

in relation to such Share, its good faith estimate of the price for such Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions;

- (c) where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Share affected (each an "**Affected Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Share. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Share (notwithstanding the fact that such day may be a Disrupted Day for a Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Share, its good faith estimate of the price for such Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions; or
- (d) where the Share Linked Instruments relate to a Basket of Shares and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Share, unless each of the Common Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day for one or more Shares. In that case, or if the Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day for a Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Share for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, its good faith estimate of the price for such Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

"Valuation Time" means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

3. **Market Disruption**

"Market Disruption Event" means, in relation to a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time for such Share or (c) an Early Closure.

If the applicable Final Terms specify "Trading Disruption Amendment" is applicable, the definition of "Trading Disruption" in the Share Linked Condition 2 (*Definitions*) shall be deemed to be deleted and replaced with the following:

""Trading Disruption" means any suspension of (including, any suspension as a result of the relevant Exchange announcing a special quotation (*tokubetsu kehai*)) or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the Share on the Exchange or (b) in futures or options contracts relating to the Share on any relevant Related Exchange."

4. **Correction to Share Prices**

If the price of a Share published on any Valuation Date, Observation Date, or an Averaging Date (or other relevant date, as determined by the Calculation Agent) as the case may be, by the relevant Exchange and which is utilised for any calculation or determination made for the purposes of the Notes (a **"Relevant Calculation"**) is subsequently corrected and the correction (the **"Corrected Share Price"**) published by the relevant Exchange no later than two Business Days prior to the date on which payment of any amount or delivery of any assets may have to be made pursuant to such Relevant Calculation, then such Corrected Share Price shall be deemed to be the relevant price for such Share on such Averaging Date, Observation Date or Valuation Date (or other relevant date, as determined by the Calculation Agent), as the case may be, and the Calculation Agent shall use such Corrected Share Price in determining the relevant price and/or whether a Barrier Event has occurred.

5. **Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event**

(a)(1) **"Potential Adjustment Event"** means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event or, if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Shares of (A) such Shares or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company equally or proportionately with such payments to holders of such Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Company as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by a Share Company in respect of relevant Shares that are not fully paid;
- (v) a repurchase by the Share Company or any of its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of a Share Company an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

- (a)(2) Following the declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will make the corresponding adjustment, if any, to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends stock loan rate or liquidity relative to the relevant Share) and determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.
- (a)(3) If "**Local Tax Adjustment**" is specified in the applicable Final Terms to be applicable, then, in its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Shares of any Potential Adjustment Event, and any related adjustments to the terms of the Instruments, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event.

"**Local Jurisdiction**" means the jurisdiction specified as such in the applicable Final Terms.

"**Local Taxes**" shall mean taxes, duties, and similar charges imposed by the taxing authority of the Local Jurisdiction.

"**Offshore Investor**" shall mean a holder of Shares who is an institutional investor not resident in the Local Jurisdiction for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (a) shall be determined by the Calculation Agent and (b) may be the jurisdiction of residence of the Issuer or any of its affiliates or agents.

- (a)(4) Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Note Condition 13 (*Notices*) or W&C Instruments Condition 12 (*Notices*), as applicable, stating the adjustment to the terms of the Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

- (b) "**De-listing**" means, in respect of any relevant Shares:

- (i) in the case where the Exchange is not located in the United States, such Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or, if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union); or
- (ii) in the case where the Exchange is located in the United States, such Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or, if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer) and are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market (or their respective successors).

If the Shares are immediately re-listed, re-traded or re-quoted on any exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange in respect of such Shares.

"Announcement Event" means the public announcement by the Share Company or a third party in relation to the Shares and/or the Share Company of an intention to enter into a transaction or take an action that, if such transaction or action were consummated or taken before the Relevant Event Cut-Off Date, would constitute a Merger Event, Nationalisation, Delisting or Tender Offer as determined by the Calculation Agent, regardless of whether that transaction or action is scheduled to be consummated or taken, or is actually consummated or taken, before the Relevant Event Cut-Off Date or at all. Announcements capable of falling within the description above include any announcement by the Share Company or a third party of an intention to pursue "strategic alternatives" or a similar announcement, or any subsequent announcement relating to the same subject matter (including a subsequent announcement that the relevant transaction, event or strategy will not be pursued or consummated, as the case may be).

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Company (i) all the Shares of that Share Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Share Company become legally prohibited from transferring them.

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Share Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Company or its subsidiaries with or into another entity in which the Share Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Relevant Event Cut-Off Date.

"Nationalisation" means that all the Shares or all or substantially all the assets of the Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"Relevant Event Cut-Off Date" means, in respect of: (i) Cash Settlement Instruments, the last occurring Valuation Date or Observation Date, as the case may be, or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Instrument; or (ii) in the case of Physical Delivery Notes, the Maturity Date; or (iii) Physical Delivery W&C Instruments, the relevant Settlement Date.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person

purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Company as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

- (c) If (x) a Merger Event, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs and/or (z) if Announcement Event is specified as applicable in the applicable Final Terms, an Announcement Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:
 - (i) either:
 - (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Terms and Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Announcement Event, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Announcement Event made by any options exchange to options on the Shares traded on that options exchange and the relevant adjustments may in the case of adjustments following a Merger Event, Tender Offer or Announcement Event include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares; or
 - (B) where the applicable Final Terms specify "No adjustments solely for volatility, expected dividends, stock loan rate or liquidity", require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Terms and Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Announcement Event, as the case may be, (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares) and determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Announcement Event made by any options exchange to options on the Shares traded on that options exchange. For the avoidance of doubt, Share Linked Condition 5(c)(i)(A) shall not apply;
 - (ii) (A) in the case of Notes, give notice to the Noteholders in accordance with Note Condition 13 (*Notices*) and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
 - (B) in the case of W&C Instruments, cancel the W&C Instruments by giving notice to Holders in accordance with W&C Instruments Condition 12 (*Notices*). If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as

the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Announcement Event, as the case may be, less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*);

- (iii) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Announcement Event, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (iv) unless the applicable Final Terms provides that "Share Substitution" shall not be applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency, De-listing or Announcement Event (as the case may be):
 - (A) Where the Share Linked Instruments relate to a single Share, the Calculation Agent may substitute the share (the "**Substitute Share**") selected by it in accordance with the Share Substitution Criteria in place of such Share (the "**Affected Share**") which is affected by such Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Announcement Event and the Substitute Share will be deemed to be a "Share" and the relevant issuer of such shares, a "Share Company" for the purposes of the Instruments, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Instruments was to be determined by reference to the price of the Affected Share on the Affected Share Strike Date, the relevant price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$A \times (B/C)$$

Where:

"A" is the official closing price of the relevant Substitute Share on the relevant exchange, as determined by the Calculation Agent, on the date that the substitution is effected;

"B" is the price of the Affected Share on the Affected Share Strike Date where such price is defined in the applicable Final Terms for the

purposes of calculating any value or determining any amount payable in respect of the Instruments; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the date that the substitution is effected.

- (B) Where the Share Linked Instruments relate to a Basket of Shares, the Calculation Agent may adjust the basket of Shares to include a share or shares (the "**Substitute Shares**") selected by it in accordance with the Share Substitution Criteria in place of the Share(s) (the "**Affected Share(s)**") which are affected by such Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Announcement Event and the Substitute Shares will be deemed to be "Shares" and the relevant issuer of each such share, a "Share Company" for the purposes of the Instruments, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, provided that in the event that any amount payable under the Instruments was to be determined by reference to the price of the Affected Share on the Affected Share Strike Date, the relevant price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$A \times (B / C)$$

Where:

"A" is the official closing price of the relevant Substitute Share on the relevant exchange, as determined by the Calculation Agent on the date that the substitution is effected;

"B" is the price of the Affected Share on the Affected Share Strike Date where such price is defined in the applicable Final Terms for the purposes of calculating any value or determining any amount payable in respect of the Instruments; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the date that the substitution is effected.

The weighting of each Substitute Share in the basket will be equal to the weighting of the relevant Affected Share.

Upon the occurrence of a Merger Event, De-listing, Nationalisation, Insolvency or, if applicable, Tender Offer or Announcement Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 13 (*Notices*) or W&C Instruments Condition 12 (*Notices*), as applicable, stating the occurrence of the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Announcement Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Announcement Event, as the case may be.

6. Non-euro Quoted Shares

In respect of Share Linked Instruments relating to Shares originally quoted, listed and/or dealt as of the Trade Date (as defined in Share Linked Condition 7 (*Additional Disruption Events*)) in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Shares are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the applicable Final Terms, the principal market on which those Shares are traded, then the Calculation Agent will adjust any of the terms of the Terms and

Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Instruments. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this provision will affect the currency denomination of any payment obligation arising out of the Instruments.

7. Additional Disruption Events

- (a) **"Additional Disruption Event"** means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow and/or Insolvency Filing, in each case if specified in the applicable Final Terms.

"Change in Law" means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant Share or (B) the Issuer and/or any of its Affiliates will incur a materially increased cost in performing its obligations in relation to the Share Linked Instruments (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

"Hedging Disruption" means that the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Share Linked Instruments, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Hedging Shares" means the number of Shares that the Calculation Agent deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Share Linked Instruments.

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates or agents would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Share Linked Instruments, or (ii) 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 or agents shall not be deemed an Increased Cost of Hedging.

"Increased Cost of Stock Borrow" means that the Issuer and/or any of its affiliates would incur a rate to borrow Shares that is greater than the Initial Stock Loan Rate.

"Initial Stock Loan Rate" means, in respect of a Share, the Initial Stock Loan Rate specified in relation to such Share in the applicable Final Terms.

"Insolvency Filing" means that a Share Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or

it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company shall not be deemed an Insolvency Filing.

"Loss of Stock Borrow" means that the Issuer and/or any affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Maximum Stock Loan Rate" means in respect of a Share, the Maximum Stock Loan Rate specified in the applicable Final Terms.

"Trade Date" in respect of (a) Notes, has the meaning given to it in Part 1 (*Note Product Conditions*) of "Annex 1 - Additional Product Terms and Conditions", and (b) W&C Instruments, has the meaning given to it in Part 2 (*W&C Instruments Product Conditions*) of "Annex 1 - Additional Product Terms and Conditions".

- (b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of the Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii)
 - (A) in the case of Notes, give notice to Holders in accordance with Note Condition 13 (*Notices*) and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
 - (B) in the case of W&C Instruments, give notice to the Holders in accordance with W&C Instruments Condition 12 (*Notices*) and cancel the W&C Instruments. If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).
- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 13 (*Notices*) or W&C Instruments Condition 12 (*Notices*), as applicable, stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.
- (d) If the applicable Final Terms provides that "Share Substitution" is applicable, upon the occurrence of an Additional Disruption Event the provisions of Share Linked Condition 5(c)(iv)(A) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) or 5(c)(iv)(B) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) (as is applicable) shall apply in respect of an Additional Disruption Event where any reference to "Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency or Announcement Event" in Share Linked Conditions 5(c)(iv)(A) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing,*

Nationalisation, Insolvency and Announcement Event) and 5(c)(iv)(B) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency and Announcement Event*) shall be replaced by "Additional Disruption Event", and any other relevant references shall be construed accordingly.

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR GDR/ADR LINKED INSTRUMENTS

1. Interpretation

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to GDR/ADR Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**") the Additional Terms and Conditions for GDR/ADR Linked Instruments set out below (the "**GDR/ADR Linked Conditions**") and the applicable Product Conditions. The terms and conditions applicable to GDR/ADR Linked W&C Instruments shall comprise the terms and conditions of the W&C Instruments (the "**W&C Instruments Conditions**"), the GDR/ADR Linked Conditions and the applicable Product Conditions. References in the GDR/ADR Linked Conditions to "Instrument" and "Instruments" shall be deemed to be references to "Note" and "Notes" or "W&C Instrument" and "W&C Instruments" as the context admits.

2. General

The provisions of "Annex 3 – *Additional Terms and Conditions for Share Linked Instruments*" shall apply to GDR/ADR Linked Instruments; and

- (a) where the applicable Final Terms specifies that "Partial Lookthrough" shall apply to a GDR or ADR as applicable, then the provisions set out in GDR/ADR Linked Condition 4 (*Partial Lookthrough*) shall apply, and, in relation to such GDR or ADR respectively, the provisions of the Share Linked Conditions shall be deemed to be amended and modified as set out in GDR/ADR Linked Condition 4 (*Partial Lookthrough*); or
- (b) where the applicable Final Terms specifies that "Full Lookthrough" shall apply to a GDR or ADR as applicable, then the provisions set out in GDR/ADR Linked Condition 5 (*Full Lookthrough*) shall apply, and, in relation to such GDR or ADR respectively, the provisions of the Share Linked Conditions shall be deemed to be amended and modified as set out in GDR/ADR Linked Condition 5 (*Full Lookthrough*).

3. Definitions

For the purposes of these GDR/ADR Linked Conditions:

"Deposit Agreement" means, in relation to the Shares, the agreements or other instruments constituting the Shares, as from time to time amended or supplemented in accordance with their terms.

"Depository" means:

- (a) if GDR/ADR Linked Condition 4 (*Partial Lookthrough*) is applicable, the Share Company of the Shares; or
- (b) if GDR/ADR Linked Condition 5 (*Full Lookthrough*) is applicable, the Share Company in respect of the Shares or any successor issuer of the Shares from time to time.

"DR Amendment" means, where specified as applicable to a definition or provision, that the following changes shall be made to such definition or provision: (a) all references to "Shares" shall be deleted and replaced with the words "Shares and/or the Underlying Shares"; and (b) all references to "Share Company" shall be deleted and replaced with the words "Share Company or Underlying Shares Issuer, as appropriate".

"Underlying Shares" means the shares or other securities which are the subject of the Deposit Agreement.

"Underlying Shares Issuer" means the issuer of the Underlying Shares.

4. Partial Lookthrough

- (a) The definition of "Potential Adjustment Event" in Share Linked Condition 5(a) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall be amended as follows:
 - (i) the DR Amendment shall be made, provided that an event under (i) to (vii) of the definition of "Potential Adjustment Event" in respect of the Underlying Shares shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Shares;
 - (ii) "." shall be deleted where it appears at the end of (vii) in the definition of "Potential Adjustment Event" and replaced with "; or "; and
 - (iii) the following shall be inserted as provision (viii): "(viii) the making of any amendment or supplement to the terms of the Deposit Agreement."
- (b) In making any adjustment following any Potential Adjustment Event, the Calculation Agent may (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement. If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Holders that the relevant consequence shall be the early redemption, exercise or settlement, as the case may be, of the Instruments and the Issuer shall:
 - (i) in the case of Notes, on giving notice to the Noteholders in accordance with Note Condition 13 (*Notices*), redeem all (but not less than all) of the Notes, each Note being redeemed at the Early Redemption Amount; or
 - (ii) in the case of W&C Instruments, on giving notice to Holders in accordance with W&C Instruments Condition 12 (*Notices*), cancel the W&C Instruments. If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Potential Adjustment Event, less the cost to the Issuer and/or any of its Affiliates of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).
- (c) If a Potential Adjustment Event specified under (viii) of the definition of "Potential Adjustment Event" (as amended by (a) above) has occurred then the following amendments shall be deemed to be made to the Share Linked Conditions in respect of such Potential Adjustment Event:
 - (i) the words "has a diluting or concentrative effect on the theoretical value of the Shares" shall be deleted and replaced with the words "has an economic effect on the Instruments"; and
 - (ii) the words "determines appropriate to account for that diluting or concentrative effect" shall be deleted and replaced with the words "determines appropriate to account for such economic effect on the Instruments".
- (d) The definitions of "Merger Event" and "Tender Offer" shall be amended in accordance with the DR Amendment.
- (e) If (i) a Merger Event occurs in relation to a Share and/or (ii) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in Share Linked

Condition 5(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*).

- (f) Following the declaration by the Underlying Shares Issuer of the terms of any Merger Event or Tender Offer, then in each case where the Calculation Agent makes an adjustment to the Instruments the Calculation Agent may (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.
- (g) The definitions of "Nationalisation", "Insolvency" and "De-listing" shall be amended in accordance with the DR Amendment.
- (h) Notwithstanding anything to the contrary in the definition of "De-listing", a De-listing shall not occur in respect of the Underlying Shares if the Underlying Shares are immediately re-listed, re-traded or re-quoted on an exchange or quotation system regardless of the location of such exchange or quotation system.
- (i) If a De-listing Nationalisation or Insolvency occurs in relation to the Underlying Shares or the Underlying Shares Issuer, the Issuer in its sole and absolute discretion may take the action described in Share Linked Condition 5(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*).
- (j) The paragraph in Share Linked Condition 5(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) which provides as follows: "If (x) a Merger Event, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:" shall be deemed to be replaced by " If (x) a Merger Event, the announcement by the Depository that the Deposit Agreement is (or will be) terminated, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:".
- (k) Each reference to "Merger Event" in Share Linked Condition 5(c)(i), (ii), (iii) and (iv) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall be deemed to be replaced with a reference to "Merger Event, the announcement by the Depository that the Deposit Agreement is (or will be) terminated,".
- (l) If Hedging Disruption and Increased Cost of Hedging are specified as being applicable in the applicable Final Terms, the definitions of "Hedging Disruption" and "Increased Cost of Hedging" in Share Linked Condition 7(a) (*Additional Disruption Events*) shall each be amended as follows:
 - (i) the words "any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Share Linked Instruments" shall be deleted and replaced with the words "any Share(s)"; and
 - (ii) the words "any such transaction(s) or asset(s)" shall be deleted and replaced with the words "any Share(s)".
- (m) If Insolvency Filing is specified as being applicable in the applicable Final Terms, the definition of "Insolvency Filing" in Share Linked Condition 7(a) (*Additional Disruption Events*) shall be amended in accordance with the DR Amendment.
- (n) For the avoidance of doubt, where a provision is amended pursuant to this GDR/ADR Linked Condition 4 (*Partial Lookthrough*) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Shares or the Underlying Shares Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

5. Full Lookthrough

- (a) The definition of "Potential Adjustment Event" in Share Linked Condition 5(a) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall be amended as follows:
- (i) the DR Amendment shall be made, provided that an event under (i) to (vii) of the definition of "Potential Adjustment Event" in respect of the Underlying Shares shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Shares;
 - (ii) "." shall be deleted where it appears at the end of (vii) in the definition of "Potential Adjustment Event" and replaced with "; or"; and
 - (iii) the following shall be inserted as provision (viii): "(viii) the making of any amendment or supplement to the terms of the Deposit Agreement."
- (b) In making any adjustment following any Potential Adjustment Event, the Calculation Agent may (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement. If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Holders that the relevant consequence shall be early redemption, exercise or settlement, as the case may be, of the Instruments and the Issuer shall:
- (i) in the case of Notes, on giving notice to the Noteholders in accordance with Note Condition 13 (*Notices*), redeem all (but not less than all) of the Notes, each Note being redeemed at the Early Redemption Amount; or
 - (ii) in the case of W&C Instruments, on giving notice to Holders in accordance with W&C Instruments Condition 12 (*Notices*), cancel the W&C Instruments. If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Potential Adjustment Event, less the cost to the Issuer and/or any of its Affiliates of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).
- (c) If a Potential Adjustment Event specified under (viii) of the definition of "Potential Adjustment Event" (as amended by (a) above) then the following amendments shall be deemed to be made to Share Linked Condition 5 (*Potential Adjustment Events, Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency*) in respect of such Potential Adjustment Event:
- (i) the words "determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares" shall be deleted and replaced with the words "determine whether such Potential Adjustment Event has an economic effect on the Instruments"; and
 - (ii) the words "determines appropriate to account for that diluting or concentrative effect" shall be deleted and replaced with the words "determines appropriate to account for such economic effect on the Instruments".
- (d) The definitions of "Merger Event" and "Tender Offer" shall be amended in accordance with the DR Amendment.
- (e) If (i) a Merger Event occurs in relation to a Share and/or (ii) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and

absolute discretion may take the action described in Share Linked Condition 5(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*).

- (f) Following the declaration by the Underlying Shares Issuer of the terms of any Merger Event or Tender Offer in relation to the Underlying Shares, then in each case where the Calculation Agent makes an adjustment to the Instruments the Calculation Agent shall (amongst other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.
- (g) The definitions of "Nationalisation", "Insolvency" and "Delisting" shall be amended in accordance with the DR Amendment.
- (h) If a De-listing, Nationalisation or Insolvency occurs in relation to the Underlying Shares or the Underlying Shares Issuer, the Issuer in its sole and absolute discretion may take the action described in Share Linked Condition 5(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*).
- (i) The paragraph in Share Linked Condition 5(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) which provides as follows: "If (x) a Merger Event, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:" shall be deemed to be replaced by " If (x) a Merger Event, the announcement by the Depository that the Deposit Agreement is (or will be) terminated, De-listing, Nationalisation or Insolvency occurs in relation to a Share and/or (y) if Tender Offer is specified as applicable in the applicable Final Terms, a Tender Offer occurs, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:".
- (j) Each reference to "Merger Event" in Share Linked Condition 5(c) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*) shall be deemed to be replaced with a reference to "Merger Event, the announcement by the Depository that the Deposit Agreement is (or will be) terminated,".
- (k) The definition of any Additional Disruption Event specified as applicable in the applicable Final Terms shall be amended in accordance with the DR Amendment.
- (l) If applicable, the definition of "Hedging Shares" in Share Linked Condition 7(a) (*Additional Disruption Events*) shall be amended in accordance with the DR Amendment.
- (m) For the purpose of determining whether a Market Disruption Event has occurred in respect of the Share, the following amendments shall be deemed to be made to the Share Linked Conditions:
 - (i) each reference to the "Exchange" in the definitions of "Exchange Business Day", "Scheduled Closing Time", "Scheduled Trading Day", "Trading Disruption", "Exchange Disruption" and "Early Closure" shall be deemed to include a reference to the primary exchange or quotation system on which the Underlying Shares are traded, as determined by the Calculation Agent; and
 - (ii) the definitions of "Market Disruption Event", "Trading Disruption", "Exchange Disruption" and "Related Exchange" shall be amended in accordance with the DR Amendment.
- (n) For the avoidance of doubt, where a provision is amended pursuant to this GDR/ADR Linked Condition 5 (*Full Lookthrough*) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Shares or the Underlying Shares Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED INSTRUMENTS

The terms and conditions applicable to Fund Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**"), the Additional Terms and Conditions for Fund Linked Instruments set out below (the "**Fund Linked Conditions**") and the applicable Product Conditions. The terms and conditions applicable to Fund Linked W&C Instruments shall comprise the terms and conditions of the W&C Instruments (the "**W&C Instruments Conditions**"), the Fund Linked Conditions and the applicable Product Conditions. In the event of any inconsistency between the Note Conditions, in the case of Notes, or the W&C Instruments Conditions, in the case of W&C Instruments, and the Fund Linked Conditions, the Fund Linked Conditions shall prevail. References in the Fund Linked Conditions to "Instrument" and "Instruments" shall be deemed to be references to "Note" and "Notes" or "W&C Instrument" and "W&C Instruments" as the context admits.

1. **General Definitions**

"**Trade Date**" in respect of (a) Notes, has the meaning given to it in Part 1 (*Note Product Conditions*) of "Annex 1 - Additional Product Terms and Conditions", and (b) W&C Instruments, has the meaning given to it in Part 2 (*W&C Instruments Product Conditions*) of "Annex 1 - Additional Product Terms and Conditions".

2. **Provisions relating to Funds other than Exchange Traded Funds**

Fund Linked Conditions 3 (*Definitions (Funds other than Exchange Traded Funds)*), 4 (*Fund Events*) and 5 (*Fund Potential Adjustment Events*) apply in respect of Funds other than Exchange Traded Funds.

3. **Definitions (Funds other than Exchange Traded Funds)**

"**Averaging Cut-Off Date**" means the second Business Day (or, in respect of Swedish Securities, the sixth Business Day), or such other number of Business Day(s) specified in the applicable Final Terms, immediately preceding the date on which payment of any amount may have to be made pursuant to any calculation or determination made on such Averaging Date, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which such Averaging Date was scheduled to fall. The "Averaging Cut-Off Date" may be specified to be not applicable in the applicable Final Terms.

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Final Terms (each such day, a "**Scheduled Averaging Date**") or, if such Scheduled Averaging Date is not a Fund Specified Date, the Averaging Date corresponding to such Scheduled Averaging Date shall be the earlier to occur of (a) the Fund Specified Date immediately following such Scheduled Averaging Date or, if earlier and unless specified to be not applicable in the applicable Final Terms, and (b) the Averaging Cut-Off Date (and, if the Averaging Date falls on the Averaging Cut-Off Date following such adjustment, then the Averaging Cut-Off Date shall be deemed to be a Fund Specified Date for the Fund (or each Fund in the Basket of Funds) for the purposes of Fund Linked Condition 4 (*Fund Events*), and in all cases subject to adjustment in accordance with Fund Linked Condition 4 (*Fund Events*) (and the Calculation Agent may in its sole and absolute discretion determine whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*))).

"**Barrier Event Determination Day (closing)**" means, in respect of a Fund Interest and an Observation Period, each Barrier Fund Specified Date for such Fund Interest falling in such Observation Period.

"**Barrier Fund Specified Date**" means a Scheduled Fund Redemption Valuation Date, Common Scheduled Fund Redemption Valuation Date, Fund Redemption Valuation Date, Common Fund Redemption Valuation Date or any other type of day, in each case, as specified in the applicable Final Terms.

"**Basket of Funds**" means a basket composed of Funds in the relative proportions or number of Funds, as specified in the applicable Final Terms.

"Common Fund Redemption Valuation Date" means, in respect of a Basket of Funds, each day which is a Fund Redemption Valuation Date for all of the Fund Interests in the Basket of Funds.

"Common Scheduled Fund Redemption Valuation Date" means, in respect of a Basket of Funds, each day which is a Scheduled Fund Redemption Valuation Date for all the Fund Interests in such Basket of Funds.

"Fund" means, subject to adjustment in accordance with these Fund Linked Instruments Conditions, each fund specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Fund Administrator" means the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for a Fund according to the relevant Fund Documents.

"Fund Adviser" means any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser).

"Fund Documents" means the constitutive and governing documents, subscription agreements and other agreements of a Fund specifying the terms and conditions relating to the related Fund Interest, as amended from time to time.

"Fund Interest" means, subject to adjustment in accordance with these Fund Linked Conditions, each fund interest specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Fund Redemption Valuation Date" means, in respect of a Fund Interest, the date as of which a Fund (or its Fund Service Provider that generally determines such value) would determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

"Fund Service Provider" means any person who is appointed to provide services, directly or indirectly, to a Fund, whether or not specified in the relevant Fund Documents, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

"Fund Specified Date" means a Scheduled Fund Redemption Valuation Date, Common Scheduled Fund Redemption Valuation Date, Fund Redemption Valuation Date or Common Fund Redemption Valuation Date or any other type of day, in each case, as specified in the applicable Final Terms.

"Fund Valuation Date" means a date as of which a Fund (or its Fund Service Provider that generally determines such value) determines the value of the related Fund Interest.

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation).

"Observation Cut-Off Date" means the second Business Day (or, in respect of Swedish Securities, the sixth Business Day), or such other number of Business Day(s) specified in the applicable Final Terms, immediately preceding the date on which payment of any amount may have to be made pursuant to any calculation or determination made on such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which

such Observation Date was scheduled to fall. The "Observation Cut-Off Date" may be specified to be not applicable in the applicable Final Terms.

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms (each such day, a **"Scheduled Observation Date"**) or, if such Scheduled Observation Date is not a Fund Specified Date, the Observation Date corresponding to such Scheduled Observation Date shall be the Fund Specified Date immediately following such Scheduled Observation Date or, if earlier and unless specified to be not applicable in the applicable Final Terms, the Observation Cut-Off Date (and, if the Observation Date falls on the Observation Cut-Off Date following such adjustment, then the Observation Cut-Off Date shall be deemed to be a Fund Specified Date for the Fund (or each Fund in the Basket of Funds) for the purposes of Fund Linked Condition 4 (*Fund Events*), and in all cases subject to adjustment in accordance with Fund Linked Condition 4 (*Fund Events*) (and the Calculation Agent may in its sole and absolute discretion determine whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*))).

"Relevant Price" means, in respect of the Fund Interests of the Fund or the Fund Interests of a Fund in the Basket of Funds (as applicable) and any day, the net asset value per Fund Interest reported by the Fund Service Provider in respect of such Fund in respect of such day, subject to adjustment in accordance with Fund Linked Condition 4 (*Fund Events*).

"Removal Date" means, in respect of an Affected Fund Interest, the date on which the Calculation Agent determines that a Hypothetical Investor would receive the Removal Value in respect of a redemption or realisation of such Affected Fund Interest effected as soon as reasonably practicable following the occurrence of the relevant Fund Event.

"Removal Value" means, in respect of an Affected Fund Interest, the amount that the Calculation Agent determines a Hypothetical Investor would receive in cash on the redemption or realisation of such Affected Fund Interest at the relevant time, provided that if any such redemption proceeds would comprise non-monetary assets the Removal Value may, at the sole and absolute discretion of the Calculation Agent, include only such amount (if any) that the Calculation Agent determines would be received by the Hypothetical Investor in respect of a realisation (in whatsoever manner the Calculation Agent determines appropriate) of such non-monetary assets as soon as reasonably practicable after their receipt.

"Scheduled Fund Redemption Valuation Date" means the date as of which a Fund (or its Fund Service Provider that generally determine such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the related Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

"Scheduled Fund Valuation Date" means, in respect of a Fund Interest, a date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the value of the related Fund Interest or, if the Fund only reports its aggregate net asset value, the date as of which such Fund is scheduled to determine its aggregate net asset value.

"Specified Barrier Event Determination Day (closing)" means, in respect of a Fund Interest, each date specified as such in the applicable Final Terms, notwithstanding that such day may not be a Barrier Fund Specified Date.

"Strike Date" means, in respect of a Fund Interest, the date specified as such in the applicable Final Terms or, if such date is not a Fund Specified Date, the immediately following Fund Specified Date.

"Valuation Cut-Off Date" means the second Business Day (or, in respect of Swedish Securities, the sixth Business Day), or such other number of Business Day(s) specified in the

applicable Final Terms, immediately preceding the date on which payment of any amount may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall. The "Valuation Cut-Off Date" may be specified to be not applicable in the applicable Final Terms.

"Valuation Date" means each date specified as a Valuation Date in the applicable Final Terms (each such day, a **"Scheduled Valuation Date"**) or, if such Scheduled Valuation Date is not a Fund Specified Date, the Valuation Date corresponding to such Scheduled Valuation Date shall be the Fund Specified Date immediately following such Scheduled Valuation Date or, if earlier and unless specified to be not applicable in the applicable Final Terms, the Valuation Cut-Off Date (and, if the Valuation Date falls on the Valuation Cut-Off Date following such adjustment, then the Valuation Cut-Off Date shall be deemed to be a Fund Specified Date for the Fund (or each Fund in the Basket of Funds) for the purposes of Fund Linked Condition 4 (*Fund Events*), and in all cases subject to adjustment in accordance with Fund Linked Condition 4 (*Fund Events*) (and the Calculation Agent may in its sole and absolute discretion determine whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*))).

4. **Fund Events**

"Fund Event" means the occurrence of each of an Additional Fund Disruption Event, a Fund Disruption Event and/or a Fund Extraordinary Event as determined by the Calculation Agent.

- (a) **"Additional Fund Disruption Event"** means each of Change in Law, Fund Hedging Disruption or Increased Cost of Hedging.

"Change in Law" means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer or any of its affiliates or agents acting on its behalf determines in good faith that (A) it has become illegal to hold, acquire or dispose of any Fund Interests, or (B) the Issuer will incur a materially increased cost in performing its obligations under the Fund Linked Instruments (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"Fund Hedging Disruption" means that the Issuer or any of its Affiliates or agents is unable, or it is impractical for the Issuer or any of its Affiliates or agents, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Instruments, or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by a Fund on an investor's ability to redeem the related Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (B) any mandatory redemption, in whole or in part, of a Fund Interest imposed by the related Fund (in each case other than any restriction in existence on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date).

"Increased Cost of Hedging" means that the Issuer or any of its Affiliates or agents would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Instruments, or (ii) realise, recover or remit the proceeds of any transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely

due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

- (b) **"Fund Disruption Event"** means at any time the occurrence or continuance of any of the following events, as determined by the Calculation Agent in its sole and absolute discretion, if the Calculation Agent determines any such event is material:
- (i) **Fund Valuation Disruption: "Fund Valuation Disruption"** means (A) any continued postponement of any Scheduled Valuation Date, Scheduled Observation Date or Scheduled Averaging Date due to such day not being a Fund Specified Date, (B) the failure of a Scheduled Fund Redemption Valuation Date in respect of a Fund Interest to be a Fund Redemption Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Redemption Valuation Date, or (C) the failure of a Scheduled Fund Valuation Date in respect of a Fund Interest to be a Fund Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Valuation Date;
 - (ii) **Fund Settlement Disruption: "Fund Settlement Disruption"** means a failure by a Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest (A) scheduled to have been paid on or by such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of the Fund Interest), (B) reasonably determined by the Calculation Agent to be so scheduled, and/or (C) on or prior to the second Business Day (or, in respect of Swedish Securities, the Sixth Business Day) falling before the day on which any payment determined by reference to the net asset value of the Fund Interest corresponding to such fund redemption proceeds may have to be made under the W&C Instruments.
- (c) **"Fund Extraordinary Event"** means each of the following events:
- (i) **Nationalisation: "Nationalisation"** means that all the Fund Interests or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
 - (ii) **Insolvency: "Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (A) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Fund become legally prohibited from transferring or redeeming them;
 - (iii) **Fund Insolvency Event: "Fund Insolvency Event"** means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (I) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (II) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (I) above and either (aa) 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 (bb) is not dismissed, discharged, stayed or restrained in each case within fifteen calendar days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen calendar days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) and (F) above;

- (iv) NAV Trigger Event: "**NAV Trigger Event**" means that (A) the aggregate net asset value of a Fund has decreased by an amount equal to or greater than 30 per cent. since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or (B) a Fund has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (v) Adviser Resignation Event: "**Adviser Resignation Event**" means the resignation, termination of appointment, or replacement of a Fund's Fund Adviser;
- (vi) Fund Modification: "**Fund Modification**" means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;
- (vii) Strategy Breach: "**Strategy Breach**" means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Fund;
- (viii) Regulatory Action: "**Regulatory Action**" means (A) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (B) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent), or (C) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;
- (ix) Reporting Disruption: "**Reporting Disruption**" means (A) the occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to

determine the value of such Fund Interest in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date (or other relevant Fund Specified Date), and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates (or other relevant Fund Specified Date), as the case may be; (B) any failure of a Fund to deliver, or cause to be delivered, (I) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (II) information that has been previously delivered to the Calculation Agent, in accordance with such Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;

- (x) Fund Service Provider Cessation: "**Fund Service Provider Cessation**" means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;
- (xi) Fund Administrator Disruption: "**Fund Administrator Disruption**" means any event or circumstances compromising the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or
- (xii) Related Agreement Termination: "**Related Agreement Termination**" means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

Following the occurrence of a Fund Event, the Issuer may take the action (any such action being a "**Fund Event Action**") described in (i) or (ii) below such that the Calculation Agent, in its sole and absolute discretion, determines to be practicable, which may be determined by the Calculation Agent after all necessary information has been obtained and/or released by the Fund:

- (i) require the Calculation Agent to make such determinations and/or adjustments to the Terms and Conditions and/or the applicable Final Terms as it determines appropriate to account for the Fund Event, which may include, without limitation,
 - (A) delaying any determination date (including any Valuation Date, Observation Date or Averaging Date) and/or any date on which payment might otherwise have to be made under the terms of the applicable Final Terms until it determines that no Fund Event exists;
 - (B) determining that, in the sole and absolute discretion of the Calculation Agent, one or more Fund Events may continue until or after any scheduled determination dates and/or payment dates as set out in the applicable Final Terms, and thereafter determining to fix any determination date (including any Valuation Date, Observation Date or Averaging Date) and/or date on which payment should be made, and making payment on such date of such amount as is appropriate, as determined in the sole and absolute discretion of the Calculation Agent, taking into account the Fund Event, and which may be based solely on any amounts of cash that a Hypothetical Investor in the Fund actually received from the Fund during the relevant period or periods (and which

may be less than any relevant net asset value published for the Fund, and may be as low as zero); or

- (C) calculating the value of a Fund Interest and/or replacing a Fund Interest (the "**Affected Fund Interest**") with a replacement fund interest (the "**Replacement Fund Interest**") with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or
- (ii)
 - (A) in the case of Notes, on giving notice to the Holders in accordance with Note Condition 13 (*Notices*), redeem all (but not less than all) of the Notes, each Note being redeemed at the Early Redemption Amount; or
 - (B) in the case of W&C Instruments, on giving notice to the Holders in accordance with W&C Instruments Condition 12 (*Notices*), cancel the W&C Instruments. If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or Unit, as the case may be, taking into account the Fund Event, less the cost to the Issuer and/or any of its affiliates or agents of unwinding any underlying related hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion.

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest.

Upon the occurrence of a Fund Event, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Note Condition 13 (*Notices*) or W&C Instruments Condition 12 (*Notices*), as applicable, giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action.

5. Fund Potential Adjustment Events

"**Fund Potential Adjustment Event**" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of relevant Fund Interests of (I) such Fund Interests or (II) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the related Fund equally or proportionately with such payments to holders of such Fund Interests or (III) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related Fund as a result of a spin-off or other similar transaction or (IV) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than

where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or

- (e) any other event that may have, in the opinion of the Calculation Agent, a diluting, concentrative or other on the theoretical value of relevant Fund Interests.

Following the declaration by a Fund of the terms of any Fund Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Fund Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interest and, if so, will make the corresponding adjustment, if any, to any one or more of any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion, determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Note Condition 13 (*Notices*) or W&C Instruments Condition 12 (*Notices*), as applicable, stating the adjustment to any of the terms of the Terms and Conditions, and/or the applicable Final Terms and giving brief details of the Fund Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

6. Provisions relating to Exchange Traded Funds

Fund Linked Conditions 7 (*Definitions (Exchange Traded Funds)*), 8 (*Market Disruption*), 9 (*Potential Adjustment Event*) and 10 (*De-Listing, Insolvency, Material Underlying Event, Merger Date, Merger Event, Nationalisation, Tender Offer*) apply to Exchange Traded Funds.

7. Definitions (Exchange Traded Funds)

"**Averaging Cut-Off Date**" means the eighth Scheduled Trading Day (or, where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day, (or, where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day:

- (a) if "**Omission**" is specified as applicable in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant price; provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will

apply for purposes of determining the relevant price on the final Averaging Date, as if such final Averaging Date were a Valuation Date that was a Disrupted Day;

- (b) if "**Postponement**" is specified as applicable in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if "**Modified Postponement**" is specified as applicable in the applicable Final Terms then:
 - (i) where the Fund Linked Instruments relate to a single Fund, 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 Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Fund, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
 - (ii) where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for a Fund Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Fund Share. If the first succeeding Valid Date in relation to such Fund Share has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Fund Share, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below;
 - (iii) where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Common Scheduled Trading Day, if applicable) (the "**Scheduled Averaging Date**") and the Averaging Date for a Fund Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Fund Share. If the first succeeding Valid Date in relation to such Fund Share has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Fund Share, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (c)(ii) of the definition of "Valuation Date" below; or

- (iv) where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Averaging Date for each Fund Share shall be the first succeeding Common Valid Date in relation to such Fund Share. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (d)(ii) of the definition of "Valuation Date" below,

and, for the purposes of these Fund Linked Conditions **"Valid Date"** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is deemed not to occur, and **"Common Valid Date"** means a Common Scheduled Trading Day that is not a Disrupted Day for any Fund Share and on which another Averaging Date does not or is deemed not to occur.

"Barrier Event Determination Day (closing)" means, in respect of a Fund Share and an Observation Period, each Scheduled Trading Day which is not a Disrupted Day for such Fund Share falling in such Observation Period.

"Barrier Event Determination Day (intraday)" means, in respect of a Fund Share and an Observation Period, each day falling in such Observation Period on which the price of such Fund Share is quoted on the relevant Exchange, regardless of whether such day is a Scheduled Trading Day or is a Disrupted Day for such Fund Share.

"Barrier Event Valuation Time (closing)" means, in respect of each Fund Share to be valued, the Scheduled Closing Time on the relevant Exchange on the Barrier Event Determination Day (closing). If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Barrier Event Valuation Time (closing) is after the actual closing time for its regular trading session, then the Barrier Event Valuation Time (closing) shall be such actual closing time.

"Barrier Event Valuation Time (intraday)" means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the Exchange.

"Basket of Funds" means a basket composed of Fund Shares in their relative proportions or number of Fund Shares, as specified in the applicable Final Terms.

"Common Scheduled Trading Day" means, in respect of a Basket of Funds, each day which is a Scheduled Trading Day for all the Fund Shares in the Basket of Funds.

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"ETF" means any fund which is an exchange traded fund as specified in the applicable Final Terms, or if not so specified, any fund which the Calculation Agent determines to be an Exchange Traded Fund.

"Exchange" means, in relation to a Fund Share in respect of an ETF, the exchange or principal trading market for the Fund Share in respect of such ETF specified in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Share in respect of such ETF has temporarily relocated.

"Exchange Business Day" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions,

notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Fund" means, subject to adjustment in accordance with these Fund Linked Instruments Conditions, each ETF specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Fund Performance" means, in respect of a Fund Share and any relevant day, an amount determined by the Calculation Agent equal to (a) the Fund Share Closing Price of such Fund Share on such day, divided by (b) the Initial Price of such Fund Share.

"Fund Share" means a share of each ETF, and references to **"holder of Fund Shares"** and **"Fund Shareholder"** shall be construed accordingly.

"Fund Share Closing Price" means, in respect of a Fund Share and any relevant date, subject to these Fund Linked Conditions, an amount equal to the official closing price of such Fund Share quoted on the relevant Exchange as determined by the Calculation Agent on such date.

"Fund Share Price" means, in respect of a Fund Share and a time on any day and subject to these Fund Linked Conditions, the price of such Fund Share at such time on such day as determined by the Calculation Agent.

"Observation Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Observation Date or, if earlier, the Scheduled Trading Day (or, where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which such Observation Date was scheduled to fall.

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms, or if such date is not a Scheduled Trading Day the immediately following Scheduled Trading Day (or, where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Observation Cut-Off Date. If any such day is a Disrupted Day, then:

- (a) where the Fund Linked Instruments relate to a single Fund, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using its good faith estimate of the relevant price as of the Valuation Time on the Observation Cut-Off Date;
- (b) where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Observation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or, if earlier, the Observation Cut-Off Date) and the Observation Date for each Fund Share affected (each an **"Affected Fund Share"**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the

Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, its good faith estimate of the price for such Fund Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions;

- (c) where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Observation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Observation Cut-Off Date) and the Observation Date for each Fund Share affected (each an "**Affected Fund Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, its good faith estimate of the price for such Fund Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions; or
- (d) where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Observation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the Common Scheduled Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day for one or more Fund Shares. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Fund Share for which the Observation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, its good faith estimate of the price for such Fund Share as of the Valuation Time on the Observation Cut-Off Date, and otherwise in accordance with the above provisions.

"Related Exchange" means, in relation to a Fund Share, each exchange or principal trading market specified as such for such Fund Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such Fund Share has temporarily relocated (provided the Calculation Agent has determined that there is comparable liquidity relative to such Fund Shares on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however, that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or

principal trading market where trading has a material effect (as determined by the Calculation Agent) on the overall market for such Fund Shares.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Observation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

"Scheduled Trading Day" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"Specified Barrier Event Determination Day (closing)" means, in respect of a Fund Share, each date specified as such in the applicable Final Terms, notwithstanding that such day may not be a Scheduled Trading Day or is a Disrupted Day for such Fund Share.

"Specified Barrier Event Determination Day (intraday)" means, in respect of a Fund Share, each date specified as such in the applicable Final Terms, notwithstanding that such day may not be a day on which any price of such Fund Share is quoted on the relevant Exchange.

"Strike Date" means, in respect of a Fund Share, the date specified as such in the applicable Final Terms, or if such day is not a Scheduled Trading Day for such Fund Share or is a Disrupted Day for such Fund Share: (a) if "Strike Date is Adjusted as an Observation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as an Observation Date, or (b) if "Strike Date is Adjusted as a Valuation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a Valuation Date.

"Underlying Index" means the underlying index specified in the applicable Final Terms.

"Valuation Cut-Off Date" means the eighth Scheduled Trading Day (or, where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date, or, if earlier, the Scheduled Trading Day (or, where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

"Valuation Date" means each date specified as a Valuation Date in the applicable Final Terms, or if that is not a Scheduled Trading Day the immediately following Scheduled Trading Day (or, where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Valuation Cut-Off Date. If such day is a Disrupted Day, then:

- (a) where the Fund Linked Instruments relate to a single Fund, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to, and including, the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using

its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date;

- (b) where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" shall not be applicable, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Fund Share affected (each an "**Affected Fund Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Fund Share, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, its good faith estimate of the price for the Affected Fund Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions;
- (c) where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Individual Disrupted Days" shall be applicable, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Fund Share affected (each an "**Affected Fund Share**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Fund Share. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Fund Share (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Fund Share, its good faith estimate of the price for such Fund Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions;
or
- (d) where the Fund Linked Instruments relate to a Basket of Funds and the applicable Final Terms provides that "Common Scheduled Trading Days" and "Common Disrupted Days" shall be applicable, the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the Common Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day for one or more Fund Shares. In that case, or if the Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day for a Fund Share or not a Common Scheduled Trading Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to each Fund Share for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Scheduled Trading Day, its good faith estimate of the price for such Fund Share as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

"Valuation Time" means the Valuation Time specified in the applicable Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Fund Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

"Worst Performing Fund Share" means, in respect of a Basket of Funds and any relevant day, the Fund Share with the lowest Fund Performance on such day, as determined by the Calculation Agent (provided that if two or more Fund Shares have the same lowest Fund Performance on such day, the Calculation Agent shall determine which Fund Share shall be the Worst Performing Fund Share in its sole and absolute discretion, and such Fund Share shall be the Worst Performing Fund Share).

8. Market Disruption

"Market Disruption Event" means, in respect of a Fund Share:

- (a) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time:
 - (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) relating to the relevant Fund Share on such Exchange; or
 - (B) relating to securities that comprise 20 per cent. or more of the level of the relevant Underlying Index or any relevant successor index; or
 - (C) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange, or
 - (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 to (A) effect transactions in, or obtain market values for, the Fund Shares on the Exchange, (B) effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of the relevant Underlying Index, or (C) to effect transactions in, or obtain market values for, futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange; or
- (b) the closure on any Exchange Business Day of any relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange on such Exchange Business Day or, if earlier, (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,
- (c) which in any such case the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in respect of a Fund Share at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the relevant Underlying Index at that time, then the relevant percentage contribution of that security, to the level of the relevant Underlying Index shall be based on a comparison of (a) the portion of the level of the relevant Underlying Index attributable to that security, and (b) the overall level of the relevant Underlying Index immediately before the occurrence of such Market Disruption Event.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 13 (*Notices*) in the case of Notes, or W&C Instruments Condition 12 (*Notices*) in the case of W&C Instruments 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 provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

9. Potential Adjustment Event

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Fund Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (i) such Fund Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such Fund Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by the ETF in respect of relevant Fund Shares that are not fully paid;
- (e) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

Following a Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the terms of the Terms and Conditions of the Instruments and/or the applicable Final Terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and (b) determine the effective date(s) of that adjustment(s). The Calculation Agent may, but need not, determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Fund Shares traded on such options exchange.

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Holders in accordance with Note Condition 13 (*Notices*) in the case of Notes or W&C Instruments Condition 12 (*Notices*) in the case of W&C Instruments, as applicable, stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

10. **De-Listing, Insolvency, Material Underlying Event, Merger Date, Merger Event, Nationalisation, Tender Offer**

"De-Listing" means, in respect of a Fund Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, such Fund Share ceases (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and 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 a member state of the European Union).

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an ETF, (a) all the Fund Shares of that ETF are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Fund Shares of that ETF become legally prohibited from transferring them.

"Material Underlying Event" means any of the following:

- (a) the investment objectives and/or policies in respect of the ETF are materially changed;
- (b) an illegality occurs or a relevant authorisation or licence is revoked in respect of the ETF and/or the ETF is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares;
- (c) there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any Fund Share as a result of which the amounts paid or to be paid by the Issuer in connection with hedging arrangements relating to the Instruments are materially reduced or otherwise adversely affected; and/or
- (d) any other event occurs in relation to the ETF and/or the Fund Shares which is materially prejudicial to the Issuer in connection with the issue of the Instruments or any hedging arrangements relating to the Instruments,

as determined by the Calculation Agent.

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of any relevant Fund Shares, any (a) reclassification or change of such Fund Shares that results in a transfer of or an irrevocable commitment to transfer all of such Fund Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the ETF with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in any such reclassification or change of all such Fund Shares outstanding) or (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 Fund Shares of the relevant ETF that results in a transfer of or an irrevocable commitment to transfer all such Fund Shares (other than such Fund Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such Fund Shares outstanding but results in the outstanding Fund Shares (other than Fund Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Valuation Date (or such other date as is specified in the applicable Final Terms).

"Nationalisation" means that all the Fund Shares or all or substantially all the assets of an ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant ETF, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

If a De-Listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event occurs in relation to any Fund Share, the Issuer in its sole and absolute discretion may take the action described in (a), (b) or (c) below:

- (a) require the Calculation Agent, in its sole and absolute discretion, to determine the appropriate adjustment(s), if any, to be made to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms to account for the De-Listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, and determine the effective date(s) of that adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the De-Listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event made by any options exchange to options on the relevant Fund Share traded on that options exchange;
- (b)
 - (i) in the case of Notes give notice to the Noteholders in accordance with Note Condition 13 (*Notices*), and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount, or
 - (ii) in the case of W&C Instruments cancel the W&C Instruments by giving notice to Holders in accordance with W&C Instruments Condition 12 (*Notices*). If the W&C Instruments are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Instrument, or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument, or Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, as the case may be, less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*); or
- (c) following such adjustment to the settlement terms of options on the Fund Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the **"Options Exchange"**), require the Calculation Agent to make a corresponding adjustment to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Fund Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 13 (*Notices*) (in the case of Notes) or W&C Instruments Condition 12 (*Notices*) (in the case of W&C Instruments) stating the occurrence of the Merger Event, Tender Offer, Nationalisation, De-listing, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, as the case may be.

11. **Additional Disruption Events**

- (a) **"Additional Disruption Event"** means any of Change in Law, Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"Change in Law" means that, on or after the Trade Date, (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant Fund Share or (B) it will incur a materially increased cost in performing its obligations in relation to the Fund Linked Instruments (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its affiliates).

"Hedging Disruption" means that the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Fund Linked Instruments, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates or agents would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Fund Linked Instruments, or (ii) 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 or agents shall not be deemed an Increased Cost of Hedging.

- (b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other terms of the Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii)
 - (A) in the case of Notes, give notice to Holders in accordance with Note Condition 13 (*Notices*) and redeem all, but not less than all, of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
 - (B) in the case of W&C Instruments, give notice to the Holders in accordance with W&C Instruments Condition 12 (*Notices*) and cancel the W&C Instruments. If the W&C Instruments are so cancelled the

Issuer will pay an amount to each Holder in respect of each W&C Instrument or Unit, as the case may be, held by him which amount shall be the fair market value of a W&C Instrument or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, in the case of Warrants, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).

- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Note Condition 13 (*Notices*) or W&C Instruments Condition 12 (*Notices*), as applicable, stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

ANNEX 6

ADDITIONAL TERMS AND CONDITIONS FOR INSTRUMENTS LINKED TO BASKET OF HYBRID ASSETS

1. Interpretation

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Hybrid Basket Linked Notes shall comprise the terms and conditions of the Notes (the "**Note Conditions**"), the Additional Terms and Conditions for Instruments Linked to Basket of Hybrid Assets set out below (the "**Hybrid Basket Linked Conditions**"), any other applicable Underlying Asset Conditions and the applicable Product Conditions. The terms and conditions applicable to Instruments Linked to Basket of Hybrid Assets shall comprise the terms and conditions of the W&C Instruments (the "**W&C Instruments Conditions**"), the Hybrid Basket Linked Conditions, any other applicable Underlying Asset Conditions and the applicable Product Conditions. In the event of any inconsistency between the Note Conditions, in the case of Notes, and the W&C Instruments Conditions, in the case of W&C Instruments, and the Hybrid Basket Linked Conditions, the Hybrid Basket Linked Conditions shall prevail. References in the Hybrid Basket Linked Conditions to "Instrument" and "Instruments" shall be deemed to be references to "Note" and "Notes" or "W&C Instrument" and "W&C Instruments" as the context admits.

2. Definitions

For the purposes of these Hybrid Basket Linked Conditions:

"Asset Closing Value" means, in respect of any relevant date and:

- (a) an Index, the Index Closing Level of the Index on such date;
- (b) a Share, the Share Closing Price of the Share on such date;
- (c) a Fund Share, the Fund Share Closing Price of the Fund Share on such date; and
- (d) a Fund Interest, the Relevant Price of the Fund Interest on such date.

"Averaging Cut-Off Date" means the eighth Common Trading Day immediately following the Scheduled Final Averaging Date or, if earlier, the Common Trading Day falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the Scheduled Final Averaging Date.

"Averaging Date" means each date specified as an Averaging Date in the applicable Final Terms, or if such date is not a Specified Trading Day for any Hybrid Asset, the immediately following Common Trading Day or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day for any Hybrid Asset:

- (a) such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level or price provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level or price on the final Averaging Date, as if such final Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "Postponement" is specified as applicable in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level or price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (c) if "**Modified Postponement**" is specified as applicable in the applicable Final Terms, then:
- (i) if the applicable Final Terms specify "Individual Disrupted Days" to be applicable, the Averaging Date for each Hybrid Asset not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date (or if the Scheduled Averaging Date is not a Common Trading Day, the immediately following Common Trading Day, or in either case, if earlier, the Averaging Cut-Off Date) and the Averaging Date for each Hybrid Asset affected (each, an "**Affected Asset**") by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to the Affected Asset. If the first succeeding Valid Date in relation to the Affected Asset has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date as a result of the original date on which it was scheduled to fall not being a Common Trading Day for the Affected Asset, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date for the Affected Asset (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall, in relation to the Affected Asset which is:
 - (A) an Index, determine the relevant level of the Index as of the Valuation Time for the Index on the Averaging Cut-Off Date in accordance with (subject to Index Linked Condition 5 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such 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 for the Index on the Averaging Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Averaging Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time for the Index on the Averaging Cut-Off Date); or
 - (B) a Share, determine the relevant price of the Share using the Calculation Agent's good faith estimate of the price for the Share as of the Valuation Time for the Share on the Averaging Cut-Off Date; or
 - (C) a Fund Share, determine the relevant price of the Fund Share using the Calculation Agent's good faith estimate of the price for the Fund Share as of the Valuation Time for the Fund Share on the Averaging Cut-Off Date; or
 - (D) a Fund Interest, take such action under Fund Linked Condition 4 (*Fund Events*) that the Calculation Agent, in its sole and absolute discretion, determines to be practicable.
 - (ii) if the applicable Final Terms specify "Common Disrupted Days" to be applicable, the Averaging Date for each Hybrid Asset shall be the first succeeding Common Valid Date in relation to such Hybrid Asset. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price of each Hybrid Asset for that Averaging Date in accordance with:
 - (A) sub-paragraph (c)(i)(A) above where such Hybrid Asset is an Index;
 - (B) sub-paragraph (c)(i)(B) above where such Hybrid Asset is a Share;

- (C) sub-paragraph (c)(i)(C) above where such Hybrid Asset is a Fund Share;
and
- (D) sub-paragraph (c)(i)(D) above where such Hybrid Asset is a Fund Interest,

and, for the purposes of these Hybrid Basket Linked Conditions, "**Common Valid Date**" means a Common Trading Day that is not a Disrupted Day for any Hybrid Asset and on which another Averaging Date does not or is deemed not to occur.

- (d) Notwithstanding sub-paragraphs (a) to (c) above, following the occurrence of a Fund Event in relation to a Hybrid Asset which is a Fund Interest, the Calculation Agent may in its sole and absolute discretion decide whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*).

"**Basket of Hybrid Assets**" means, subject to adjustment in accordance with the relevant Underlying Asset Conditions, a basket specified as such in the applicable Final Terms and composed of Assets comprising in their relative proportions or number of Assets, as specified in the applicable Final Terms, other than a Basket of Indices, a Basket of Shares or a Basket of Funds.

"**Common Trading Day**" means, in respect of a Basket of Hybrid Assets, each day which is a Specified Trading Day for all the Hybrid Assets in the Basket of Hybrid Assets.

"**Disrupted Day**" in respect of a Hybrid Asset which is:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*);
- (d) a Fund Interest, means a day on which a Fund Event occurs or is continuing.

"**Fund Event**" has the meaning given to it in Fund Linked Condition 4 (*Fund Events*).

"**Hybrid Asset**" means each Share, Index, Fund Share or Fund Interest comprised in a Basket of Hybrid Assets (and collectively, the "**Hybrid Assets**").

"**Observation Cut-Off Date**" means the eighth Common Trading Day immediately following the Scheduled Observation Date or, if earlier, the Common Trading Day falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Observation Date, provided that the Observation Cut-Off Date shall not fall prior to the original date on which such Observation Date was scheduled to fall.

"**Observation Date**" means each date specified as an Observation Date in the applicable Final Terms, or if such date is not a Specified Trading Day for any Hybrid Asset, the immediately following Common Trading Day or, if earlier, the Observation Cut-Off Date. If any such day is a Disrupted Day for any Hybrid Asset, then:

- (a) if the applicable Final Terms specify "Individual Disrupted Days" to be applicable, the Observation Date for each Hybrid Asset not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date (or if the Scheduled Observation Date is not a Common Trading Day, the immediately following Common Trading Day, or in either case, if earlier, the Observation Cut-Off Date) and the Observation Date for each Hybrid Asset affected (each, an "Affected Asset") by the occurrence of a Disrupted Day shall be the first succeeding Specified Trading Day that is not a Disrupted Day relating to the Affected Asset, unless each of the Specified Trading Days immediately

following the Scheduled Observation Date (or if such Scheduled Observation Date is not a Common Trading Day, the immediately following Common Trading Day) up to, and including, the Observation Cut-Off Date is a Disrupted Day relating to the Affected Asset. In that case, or if such Observation Date falls on the Observation Cut-Off Date as a result of the original date on which it was scheduled to fall not being a Common Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date for such Affected Asset (notwithstanding the fact that such day may be a Disrupted Day for a Hybrid Asset or not a Common Trading Day) and (ii) the Calculation Agent shall, in relation to such Affected Asset which is:

- (A) an Index, determine the relevant level of the Index as of the Valuation Time for the Index on the Observation Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such 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 for the Index on the Observation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Observation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Observation Cut-Off Date); or
 - (B) a Share, determine the relevant price of the Share using the Calculation Agent's good faith estimate of the price for the Share as of the Valuation Time for the Share on the Observation Cut-Off Date; or
 - (C) a Fund Share, determine the relevant price of the Fund Share using the Calculation Agent's good faith estimate of the price for the Fund Share as of the Valuation Time for the Fund Share on the Observation Cut-Off Date; or
 - (D) a Fund Interest, take such action under Fund Linked Condition 4 (*Fund Events*) that the Calculation Agent, in its sole and absolute discretion, determines to be practicable.
- (b) if the applicable Final Terms specify "Common Disrupted Days" to be applicable, the Observation Date shall be the first succeeding Common Trading Day that is not a Disrupted Day for any Hybrid Asset, unless each of the Common Trading Days immediately following the Scheduled Observation Date up to, and including, the Observation Cut-Off Date is a Disrupted Day for one or more Hybrid Assets. In that case, or if such Observation Date falls on the Observation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Trading Day, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day may be a Disrupted Day for a Hybrid Asset or not a Common Trading Day) and (ii) the Calculation Agent shall determine, in relation to each Hybrid Asset for which the Observation Cut-Off Date is a Disrupted Day or is not a Common Trading Day, the relevant level or price of such Hybrid Asset in accordance with:
- (A) sub-paragraph (a)(A) above where such Hybrid Asset is an Index;
 - (B) sub-paragraph (a)(B) above where such Hybrid Asset is a Share;
 - (C) sub-paragraph (a)(C) above where such Hybrid Asset is a Fund Share; and
 - (D) sub-paragraph (a)(D) above where such Hybrid Asset is a Fund Interest.
- (c) Notwithstanding sub-paragraphs (a) and (b) above, following the occurrence of a Fund Event in relation to a Hybrid Asset which is a Fund Interest, the Calculation Agent may in its sole and absolute discretion decide whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*).

"Scheduled Averaging Date" means any original date that, but for the occurrence of an event causing a Disrupted Day for one or more Hybrid Assets, would have been an Averaging Date.

"Scheduled Observation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day for one or more Hybrid Assets, would have been an Observation Date.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day for one or more Hybrid Assets, would have been a Valuation Date.

"Scheduled Final Averaging Date" means any original date that, but for the occurrence of another Averaging Date or a Disrupted Day for one or more Hybrid Assets, or on account of such date not being a Common Trading Day, would have been the final Averaging Date.

"Scheduled Trading Day" in respect of a Hybrid Asset which is:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*); and
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*).

"Specified Trading Day" means, in respect of a Hybrid Asset which is:

- (a) an Index, a Scheduled Trading Day in respect of such Index;
- (b) a Share, a Scheduled Trading Day in respect of such Share;
- (c) a Fund Share, a Scheduled Trading Day in respect of such Fund Share; or
- (d) a Fund Interest, a Fund Specified Date in respect of such Fund Interest.

"Strike Date" means, in respect of a Hybrid Asset, the date specified as such in the applicable Final Terms, or if such day is not a Specified Trading Day for a Hybrid Asset or is a Disrupted Day for a Hybrid Asset: (a) if "Strike Date is Adjusted as an Observation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as an "Observation Date", or (b) if "Strike Date is Adjusted as a Valuation Date" is specified in the applicable Final Terms as applicable, such date will be adjusted as a "Valuation Date".

"Valid Date" means, in respect of a Hybrid Asset, a Specified Trading Day for such Hybrid Asset that is not a Disrupted Day for such Hybrid Asset and on which another Averaging Date does not or is deemed not to occur.

"Valuation Cut-Off Date" means the eighth Common Trading Day immediately following the Scheduled Valuation Date or, if earlier, the Common Trading Day falling on or immediately preceding the second Business Day (or, in respect of Swedish W&C Instruments, the sixth Business Day) immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

"Valuation Date" means each date specified as a Valuation Date in the applicable Final Terms, or if such date is not a Specified Trading Day for any Hybrid Asset, the immediately following Common Trading Day or, if earlier, the Valuation Cut-Off Date. If any such day is a Disrupted Day for any Hybrid Asset, then:

- (a) if the applicable Final Terms specify "Individual Disrupted Days" to be applicable, the Valuation Date for each Hybrid Asset not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Trading Day, the immediately following Common Trading Day, or in either case, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Hybrid

Asset affected (each, an "**Affected Asset**") by the occurrence of a Disrupted Day shall be the first succeeding Specified Trading Day that is not a Disrupted Day relating to the Affected Asset, unless each of the Specified Trading Days immediately following the Scheduled Valuation Date (or if such Scheduled Valuation Date is not a Common Trading Day, the immediately following Common Trading Day) up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Asset. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date as a result of the original date on which it was scheduled to fall not being a Common Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Affected Asset (notwithstanding the fact that such day may be a Disrupted Day for a Hybrid Asset or not a Common Trading Day) and (ii) the Calculation Agent shall, in relation to such Affected Asset which is:

- (A) an Index, determine the relevant level of the Index as of the Valuation Time for the Index on the Valuation Cut-Off Date in accordance with (subject to Index Linked Condition 4 (*Adjustments and Corrections to an Index*)) the formula for and method of calculating such 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 for the Index on the Valuation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Share Linked Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time for the Index on the Valuation Cut-Off Date); or
 - (B) a Share, determine the relevant price of the Share using the Calculation Agent's good faith estimate of the price for the Share as of the Valuation Time for the Share on the Valuation Cut-Off Date; or
 - (C) a Fund Share, determine the relevant price of the Fund Share using the Calculation Agent's good faith estimate of the price for the Fund Share as of the Valuation Time for the Fund Share on the Valuation Cut-Off Date; or
 - (D) a Fund Interest, take such action under Fund Linked Condition 4 (*Fund Events*) that the Calculation Agent, in its sole and absolute discretion, determines to be practicable.
- (b) if the applicable Final Terms specify "Common Disrupted Days" to be applicable, the Valuation Date shall be the first succeeding Common Trading Day that is not a Disrupted Day for any Hybrid Asset, unless each of the Common Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day for one or more Hybrid Assets. In that case, or if the Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day for a Hybrid Asset or not a Common Trading Day) and (ii) the Calculation Agent shall determine, in relation to each Hybrid Asset for which the Valuation Cut-Off Date is a Disrupted Day or is not a Common Trading Day, the relevant level or price of such Hybrid Asset in accordance with:
- (A) sub-paragraph (a)(A) above where such Hybrid Asset is an Index;
 - (B) sub-paragraph (a)(B) above where such Hybrid Asset is a Share;
 - (C) sub-paragraph (a)(C) above where such Hybrid Asset is a Fund Share; and
 - (D) sub-paragraph (a)(D) above where such Hybrid Asset is a Fund Interest.
- (c) Notwithstanding sub-paragraphs (a) and (b) above, following the occurrence of a Fund Event in relation to a Hybrid Asset which is a Fund Interest, the Calculation Agent may in its sole and absolute discretion decide whether to proceed under the provisions herein and/or Fund Linked Condition 4 (*Fund Events*).

"Valuation Time" in respect of a Hybrid Asset which is:

- (a) an Index, has the meaning given to it in Index Linked Condition 2 (*Definitions*);
- (b) a Share, has the meaning given to it in Share Linked Condition 2 (*Definitions*);
- (c) a Fund Share, has the meaning given to it in Fund Linked Condition 7 (*Definitions (Exchange Traded Funds)*); and
- (d) a Fund Interest, means such time as the Fund Service Provider is scheduled to report the net asset value of such Fund Interest for such day.

ANNEX 7

ADDITIONAL TERMS AND CONDITIONS FOR PHYSICAL DELIVERY NOTES

1. **Interpretation**

The following provisions (the "**Physical Delivery Note Conditions**") apply to Notes where the applicable Final Terms specify "Physical Delivery Notes" to be applicable.

2. **Delivery of Entitlement and Asset Transfer Notices**

In order to obtain delivery of the Entitlement(s) in respect of any Note:

- (a) if such Note is represented by a Global Note, the relevant Holder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Paying Agent and the Issuer not later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Asset Transfer Notice substantially in the form set out in the Agency Agreement (the "**Asset Transfer Notice**"); and
- (b) if such Note is in definitive form, the relevant Holder must deliver such Note to the Principal Paying Agent and a duly completed Asset Transfer Notice to any Paying Agent, with a copy to the Principal Paying Agent and the Issuer not later than the close of business in each place of receipt on the Cut-Off Date

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

An Asset Transfer Notice may only be delivered (a) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (b) if such Note is in definitive form in writing or such other form acceptable to the Principal Paying Agent.

The Issuer shall at the risk of the relevant Holder deliver the Entitlement in respect of each Note in such commercially reasonable manner as the Issuer shall, in its sole discretion, determine to be appropriate for such delivery.

All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities, transfer and/or other taxes or duties (together "**Expenses**") arising from the redemption of the Notes and the delivery of any Entitlement shall be for the account of the relevant Holder and no delivery and/or transfer of any Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

An Asset Transfer Notice must:

- (a) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement if such delivery is to be made otherwise than in the manner specified in the applicable Final Terms;
- (b) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Holder's account with such Notes on or before the Maturity Delivery Date (as defined below);
- (c) include an undertaking to pay all Expenses and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;

- (d) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Holder's account to be credited with any cash payable by the Issuer, in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement, as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable;
- (e) certify that the beneficial owner of each Note is not a United States Person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with any redemption thereof; and
- (f) authorise the production of such notice in any applicable administrative or legal proceedings.

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

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Holder is the holder of the specified nominal amount of Notes according to its books.

Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Paying Agent the series number and number of Notes the subject of such notice, the relevant account details (if applicable) and the details for the delivery of the Entitlement in respect of each such Note. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Maturity Delivery Date debit the securities account of the relevant Holder with the Notes the subject of the relevant Asset Transfer Notice.

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

If such Asset Transfer Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, as the case may be, or the relevant Paying Agent, in each case in consultation with the Principal Paying Agent and the Issuer, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

Euroclear, Clearstream, Luxembourg or the relevant Paying Agent, as applicable, shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Principal Paying Agent and the Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Paying Agents, Euroclear, Clearstream, Luxembourg and the Principal Paying Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with these Physical Delivery Note Conditions, the "**Maturity Delivery Date**"), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Principal Paying Agent and the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date.

If an Asset Transfer Notice is delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Principal Paying Agent and the Issuer, later than the close of business in each place of receipt on the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Maturity Delivery Date) at the risk of such Holder in the manner provided above. Provided that if in respect of a Note an Asset Transfer Notice is not delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Principal Paying Agent and the Issuer, later than the close of business in each place of receipt on the 90th calendar day following the Cut-Off Date the Issuer's obligations in respect of such Note and the Guarantor's obligations in respect of the Guarantee in respect of such Note shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Maturity Delivery Date falling after the originally designated Maturity Delivery Date and no liability in respect thereof shall attach to the Issuer or the Guarantor.

Delivery of the Entitlement in respect of the Notes is subject to all applicable laws, regulations and practices in force on the Maturity Delivery Date, and none of the Issuer, the Guarantor or any of its Affiliates or agents and the Paying Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, the Guarantor and any of its Affiliates or agents and the Paying Agents shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg in relation to the performance of their duties in relation to the Notes.

For such period of time after the Maturity Delivery Date, as any person other than the relevant Holder shall continue to be the legal owner of the securities, obligations or Deliverable Obligations comprising the Entitlement (the "**Intervening Period**"), none of the Issuer, the Guarantor nor any other such person shall (a) be under any obligation to deliver or procure delivery to the relevant Holder or any subsequent beneficial owner of such Note any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities, obligations or Deliverable Obligations, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities, obligations or Deliverable Obligations during the Intervening Period or (c) be under any liability to the relevant Holder, or any subsequent beneficial owner of such Note in respect of any loss or damage which the relevant Holder, or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such securities, obligations or Deliverable Obligations during such Intervening Period.

Where the Entitlement comprises Shares, any dividend or other distribution in respect of such Entitlement will be payable to the party that would receive such dividend or other distribution according to market practice for a sale of the Share executed on the Maturity Delivery Date and to be delivered in the same manner as the Entitlement. Any such dividend or other distribution to be paid to a Holder shall be paid to the account specified in the relevant Asset Transfer Notice.

Where the Entitlement is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Holders will receive an Entitlement comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Entitlements), and in respect of the amount of Relevant Assets not capable of being delivered, an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets so rounded down, as

calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate).

3. **Settlement Disruption Event**

The provisions of this Physical Delivery Note Condition 3 shall apply to Physical Delivery Notes.

If, prior to the delivery of the Entitlement in accordance with these Physical Delivery Note Conditions, a Settlement Disruption Event is subsisting, then the Maturity Delivery Date in respect of such Note shall be postponed until the next Settlement Business Day on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Holder, in accordance with Note Condition 13 (*Notices*). Such Holder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Entitlement pursuant to these Physical Delivery Note Conditions. Where delivery of the Entitlement has been postponed as provided in the Physical Delivery Note Conditions the Issuer shall not be in breach of these Conditions and no liability in respect thereof shall attach to the Issuer or the Guarantor.

For so long as delivery of the Entitlement in respect of any Note is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Holder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the "**Election Notice**") is given to the Holders in accordance with Note Condition 13 (*Notices*).

4. **Failure to Deliver due to Illiquidity**

The provisions of this Physical Delivery Note Condition 4 shall apply to Physical Delivery Notes.

If Failure to Deliver due to Illiquidity is specified as applicable in the applicable Final Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the Entitlement (the "**Affected Relevant Assets**"), where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a "**Failure to Deliver due to Illiquidity**"), then:

- (a) subject as provided elsewhere in the Physical Delivery Note Conditions and/or the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Maturity Delivery Date in accordance with the Physical Delivery Note Conditions; and
- (b) in respect of any Affected Relevant Assets, notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the relevant Holder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date the Failure to Deliver Notice (as defined below) is given to the Holders in accordance with Note Condition 13 (*Notices*). The Issuer shall give notice (such notice a "**Failure to Deliver Notice**") as soon as reasonably practicable to the Holders in accordance with Note Condition 13 (*Notices*) that the provisions of this Physical Delivery Note Condition 4 apply.

5. **Option to Vary Settlement**

The provisions of this Physical Delivery Note Condition 5 shall apply to Physical Delivery Notes.

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Notes, the Issuer may at its sole and unfettered discretion in respect of each such Note, elect not to pay the relevant Holders the Final Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu

thereof to deliver or procure delivery of the Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Note Condition 13 (*Notices*).

6. Definitions

For the purposes of these Physical Delivery Note Conditions:

"Cut-Off Date" means the second Business Day prior to the Maturity Delivery Date or such other number of Business Days prior to the Maturity Delivery Date as specified in the applicable Final Terms.

"Disruption Cash Settlement Price" means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount equal to the fair market value of such Notes (but not taking into account any interest accrued on such Note and paid pursuant to Note Condition 5 (*Payments*) and Note Condition 6 (*Redemption and Purchase*)) 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 calendar days before the date that the Election Notice is given as provided above less the cost to the Issuer and/or its Affiliates or agents of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

"Entitlement" has the meaning given to it in the Product Conditions.

"Entitlement Clearing System" means the Japan Securities Depository Center (JASDEC) or any successor to such clearing system.

"Failure to Deliver Settlement Price" means, in respect of each nominal amount of the Notes equal to the Calculation Amount, the fair market value of the Affected Relevant Assets in respect of such Notes on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the cost to the Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

"Settlement Business Day" means any day on which the Entitlement Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"Settlement Disruption Event" means an event beyond the control of the Issuer or, if applicable, the Guarantor, as a result of which, in the opinion of the Calculation Agent or, if applicable, the Guarantor, delivery of the Entitlement by or on behalf of the Issuer or the Guarantor, as the case may be, in accordance with the Physical Delivery Note Conditions and/or the applicable Final Terms is not practicable.

ANNEX 8

ADDITIONAL TERMS AND CONDITIONS FOR RULE 144A WARRANTS

1. Interpretation

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to unsecured Warrants represented by a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant shall comprise the terms and conditions of the W&C Instruments (the "**W&C Instruments Conditions**"), the Additional Terms and Conditions for Rule 144A Warrants set out below (the "**Rule 144A Warrant Conditions**") and the applicable Product Conditions, in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between (a) the W&C Instruments Conditions and the Rule 144A Warrant Conditions or (b) the Product Conditions and the Rule 144A Warrant Conditions, the Rule 144A Warrant Conditions shall prevail.

Any reference herein to Euroclear and/or Clearstream, Luxembourg or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Warrant Agent from time to time and notified to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).

2. Form

Unsecured Warrants in registered form may be offered and sold in private transactions exclusively in the United States or to, or for the account or benefit of, United States Persons ("**Rule 144A Global Warrant**") in reliance on Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), only to persons who are "qualified institutional buyers" (as defined in Rule 144A) ("**QIBs**") and who are also each a "qualified purchaser" (each a "**QP**") within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**1940 Act**"), and the rules thereunder, and who, as a condition to purchasing such Warrants will enter into and remain in compliance with an Investor Representation Letter for the benefit of the Dealer, the Issuer and the Guarantor (together with their respective affiliates and any persons controlling, controlled by or under common control with such Dealer, Issuer or Guarantor) in which they represent and agree, among other things, to purchase such Warrants for their own account and not with a view to the distribution thereof (each letter, for the benefit of such parties, an "**Investor Representation Letter**"). If specified in the applicable Final Terms, unsecured Warrants in registered form may be offered and sold concurrently (a) in the United States or to, or for the account or benefit of, United States Persons, in each case to persons who are QIBs and who are also each a QP, and who, as a condition to purchasing the Warrants will enter into and remain in compliance with an Investor Representation Letter and (b) outside the United States to non-United States Persons in an offshore transaction pursuant to Regulation S under the Securities Act ("**Regulation S/Rule 144A Global Warrant**"). Rule 144A Global Warrants and Regulation S/Rule 144A Global Warrants will only be issued in relation to Cash Settled W&C Instruments which are either Index Linked Warrants or Share Linked Warrants. Rule 144A Warrants shall not be Secured W&C Instruments.

Interests in a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant will be exchangeable, in whole but not in part, for Warrants in definitive registered form ("**Definitive Registered Warrants**") only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (a) in the case of Warrants represented by a Rule 144A Global Warrant held through DTC, either DTC has notified the Issuer that it is unwilling or unable to continue as a depositary for that Rule 144A Global Warrant held through DTC and no alternative clearing system is available, or DTC has ceased to be a "clearing agency" registered under the U.S. Securities Exchange Act of 1934, as amended, and no alternative clearing system is available, (b) in the case of Warrants registered in the name of a nominee of the Common Depositary, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (c) the Issuer or the Guarantor has or will become subject to adverse tax

consequences which would not be suffered were the Warrants held in definitive form. The Issuer will give notice of any such Exchange Event to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).

3. **Definitions**

For the purposes of these Rule 144A Warrant Conditions:

"Brussels Business Day" means a day (other than Saturday or Sunday) on which commercial banks are open for general business in Brussels.

"Clearing System" means DTC, Euroclear and/or Clearstream, Luxembourg, as the context requires.

"Global Warrant" means a Rule 144A Global Warrant or Regulation S/Rule 144A Global Warrant.

"Luxembourg Business Day" means a day (other than Saturday or Sunday) on which commercial banks are open for general business in Luxembourg.

"New York Business Day" means a day (other than Saturday or Sunday) on which commercial banks are open for general business in New York City.

4. **Title**

In the case of Warrants represented by a Rule 144A Global Warrant held through DTC, the Rule 144A Global Warrant will be registered in the name of Cede & Co., as nominee of DTC, and will be held by the U.S. Warrant Agent as custodian for DTC. In the case of Warrants represented by a Regulation S/Rule 144A Global Warrant or a Rule 144A Global Warrant held through Euroclear or Clearstream, Luxembourg, such Warrants will be registered in the name of a nominee for, and will be deposited with, the Common Depositary.

Subject to mandatory rules of law, title to Rule 144A Global Warrants and Regulation S/Rule 144A Global Warrants will pass by registration of the transfer in the Register maintained by the Registrar or the U.S. Warrant Agent, as applicable, in accordance with the provisions of the Agency Agreement. Beneficial ownership of interests in a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant will be determined in accordance with the rules and procedures of DTC, Euroclear or Clearstream, Luxembourg, as applicable.

Subject as set forth in this Rule 144A Warrant Condition 4, each person who is for the time being shown in the records of DTC as the holder of a particular number of Warrants represented by a Rule 144A Global Warrant shall be treated by the Issuer, the Guarantor and any Instrument Agent as the holder of such number of such Warrants for all purposes (and the expressions **"Holder"** and **"holder of Warrants"** and related expressions shall be construed accordingly). For as long as the Warrants are represented by a Global Warrant held through Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular number of Warrants (in which regard any certificate or other document issued by such Clearing System as to the number of Warrants 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 Guarantor, the Registrar and any relevant Instrument Agent as the holder of such number of Warrants for all purposes (and the expressions **"Holder"** and **"holder of Warrants"** and related expressions shall be construed accordingly).

5. **Transfers**

(a) Transfers of Warrants represented by a Global Warrant may only be made in accordance with any applicable rules and regulations of the U.S. Warrant Agent, DTC, Euroclear and/or Clearstream, Luxembourg, and the following provisions:

(i) any sales, transfers to or exchanges with a person who takes delivery in the form of Warrants represented by a Regulation S/Rule 144A Global Warrant may only

- be made if such sale, transfer or exchange is being made either (x) between or among non-United States Persons in an offshore transaction pursuant to Regulation S under the Securities Act or (y) by United States Persons to or through the Issuer or the Dealer (I) in the United States to a QIB who is also a QP or (II) to, or for the account or benefit of, a United States Person who is a QIB and who is also a QP, in either case of (I) or (II), who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A, and who enters into and remains in compliance with an Investor Representation Letter; or
- (ii) any sales, transfers to or exchanges with a person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant may only be made if such sale, transfer or exchange is being made to or through the Issuer or the Dealer (x) in the United States to a QIB who is also a QP or (y) to, or for the account or benefit of, a United States Person who is a QIB and who is also a QP, in either case, who is acquiring such Warrants in a transaction meeting the requirements of Rule 144A, and who enters into and remains in compliance with an Investor Representation Letter.
- (b) All transactions (which transactions shall include transfers of Warrants represented by a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant, and transfers of Warrants in definitive form) (a) to a person in the United States or (b) to, or for the account or benefit of, a United States Person, in either case who is a QIB and also a QP and, who takes delivery of Warrants represented by a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant in the open market or otherwise may only be effected to or through the Issuer or the Dealer, and shall only be effective if, as a condition to such transfer of the Warrants, the transferee enters into and remains in compliance with an Investor Representation Letter (which must be duly executed by such proposed transferee or such transferee's attorney duly authorised in writing at least three New York Business Days prior to the date the transfer of such Warrants is desired).
 - (c) In the case of sales, transfers or exchanges of Global Warrants, the Holder must send:
 - (i) (in the case of Warrants represented by a Regulation S/Rule 144A Global Warrant or Rule 144A Global Warrant held through Euroclear and/or Clearstream, Luxembourg) to Euroclear and/or Clearstream, Luxembourg, as the case may be, a free of payment instruction not later than 10.00 a.m. (Brussels or Luxembourg time, as the case may be) one Brussels Business Day or Luxembourg Business Day, as the case may be, prior to the date on which the sale, transfer or exchange is to take effect; and
 - (ii) (in the case of Warrants represented by a Rule 144A Global Warrant held through DTC) to DTC a free of payment instruction at least two New York Business Days prior to the date on which the sale, transfer or exchange is to take effect.

In the case of a transfer, separate payment arrangements are required to be made between the transferor and the transferee.

On the sale, transfer or exchange date, Euroclear or Clearstream, Luxembourg, or DTC, as the case may be, will debit the account of its transferor-participant and will instruct (a), in the case of sales, transfers to or exchanges with a person who takes delivery of Warrants represented by a Regulation S/Rule 144A Global Warrant or a Rule 144A Global Warrant held through Euroclear and/or Clearstream, Luxembourg, the Principal Warrant Agent to credit the relevant account of the transferee-Euroclear or Clearstream, Luxembourg participant, as the case may be, or (b) in the case of sales, transfers to or exchanges with a person who takes delivery of Warrants represented by a Rule 144A Global Warrant held through DTC, the U.S. Warrant Agent to credit the relevant account of the transferee-DTC participant.

- (d) No beneficial owner of a Rule 144A Global Warrant will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear or Clearstream, Luxembourg, as applicable. A beneficial interest in a Rule 144A Global Warrant will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Warrants in definitive form only (a) upon the occurrence of an Exchange Event, (b) in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be, and (c) in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Rule 144A Global Warrant held through DTC shall be limited to transfers of such Rule 144A Global Warrant, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee. For so long as the Warrants are represented by a Regulation S/Rule 144A Global Warrant or a Rule 144A Global Warrant held through Euroclear or Clearstream, Luxembourg, all permitted transfers of such Warrants must be effected through an account at Euroclear or Clearstream, Luxembourg.
- (e) Subject as provided in these Rule 144A Warrant Conditions, upon the terms and subject to the conditions set forth in the Agency Agreement, a Warrant in definitive form may be transferred in whole or in part. In order to effect any such transfer, (i) the Holder or Holders must (A) surrender the Warrant for registration of the transfer of the Warrant (or the relevant part of the Warrant) at the specified office of the U.S. Warrant Agent or the Principal Warrant Agent, as applicable, with a form of transfer duly completed and executed by the person shown as the registered Holder on the Register, or its attorney duly authorised in writing and (B) complete and deposit such other certifications or evidence as may be required by the U.S. Warrant Agent or the Principal Warrant Agent, as applicable, the Issuer or the Guarantor and (ii) the U.S. Warrant Agent or the Principal Warrant Agent, as applicable, must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Guarantor and the U.S. Warrant Agent or the Principal Warrant Agent, as applicable, may from time to time prescribe. Subject to the provisions above, the U.S. Warrant Agent or the Principal Warrant Agent, as applicable, will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the U.S. Warrant Agent or the Principal Warrant Agent, as applicable, is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new certificate representing such Warrant in definitive form of the same aggregate amount of the Warrant (or the relevant part of the Warrant) transferred. In the case of the transfer of part only of a Warrant in definitive form, a new certificate representing such Warrant in definitive form in respect of the balance of the Warrant not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor. The U.S. Warrant Agent or the Principal Warrant Agent, as applicable, shall record such transfer, and make appropriate notations, in the Register to reflect such transfer.
- (f) Any attempted sale, transfer or exchange in which the proposed sale, transfer or exchange was not effected in accordance with the foregoing procedures shall not be valid or binding on the Issuer or the Guarantor. In addition, if any Instrument Agent subsequently determines or is subsequently notified by the Issuer that (i) a sale, transfer or exchange, or attempted or purported sale, transfer or exchange, of any interest in a Warrant was consummated on the basis of an incorrect certification from the transferee or purported transferee as set forth in the relevant Investor Representation Letter, (ii) the holder of any interest in a Warrant was in breach, at the time given, of any representation or agreement set forth in any Investor Representation Letter or any deemed representation or agreement of such holder, or (iii) a sale, transfer or exchange, or attempted sale, transfer or exchange, of any interest in a Warrant was consummated which did not comply with the transfer restrictions set forth in this Rule 144A Warrant Condition 5 the purported transfer shall be absolutely null and void *ab initio* and shall

vest no rights in the purported transferee (such purported transferee, a "**Disqualified Transferee**") and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a holder thereof retroactively to the date of transfer of such interest by such holder.

6. Exercise Rights

(a) *American Style Warrants*

If Automatic Exercise is not specified in the applicable Final Terms, in the case of American Style Warrants represented by a Rule 144A Global Warrant held through DTC, any such American Style Warrants with respect to which no Exercise Notice has been delivered in the manner set out in Rule 144A Warrant Condition 7 (*Exercise Procedure*), at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date, shall become void.

If Automatic Exercise is specified in the applicable Final Terms, in the case of American Style Warrants represented by a Rule 144A Global Warrant held through DTC, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Rule 144A Warrant Condition 7 (*Exercise Procedure*), at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date and which is in the determination of the Calculation Agent "In-The-Money" shall be automatically exercised on the Expiration Date, but payment is subject to the delivery of a duly completed Exercise Notice as set forth in Rule 144A Condition 8 (*Automatic Exercise*). In such event, the provisions of Rule 144A Warrant Condition 8 (*Automatic Exercise*) shall apply.

In the case of American Style Warrants represented by a Rule 144A Global Warrant held through DTC, (a) the Exercise Business Day immediately succeeding the New York Business Day on which an Exercise Notice is received prior to 5.00 p.m., New York City time, by the U.S. Warrant Agent and a copy thereof is delivered to Merrill Lynch International and the Principal Warrant Agent, or (b) if Automatic Exercise is specified in the applicable Final Terms and the Warrants are automatically exercised on the Expiration Date as provided above, then such Expiration Date is referred to herein as the "**Actual Exercise Date**". If any such Exercise Notice is received by the U.S. Warrant Agent, or if a copy thereof is delivered to Merrill Lynch International and the Principal Warrant Agent after 5.00 p.m., New York City time, on any New York Business Day, such Exercise Notice will be deemed to have been given on the next New York Business Day and the Exercise Business Day immediately succeeding such next New York Business Day shall be deemed to be the Actual Exercise Date; provided that any such Warrants in respect of which no Exercise Notice has been delivered in the manner set out in Rule 144A Warrant Condition 7 (*Exercise Procedure*), at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Expiration Date, shall (i) if Automatic Exercise is not specified in the applicable Final Terms, become void or (ii), if Automatic Exercise is specified in the applicable Final Terms, be automatically exercised or expire on the Expiration Date as provided above and in Rule 144A Warrant Condition 8 (*Automatic Exercise*).

In the case of American Style Warrants represented by a Rule 144A Warrant held through Euroclear or Clearstream, Luxembourg or a Regulation S/Rule 144 Warrant, the provisions of W&C Instruments Condition 23 (*Exercise Rights (Warrants)*) shall apply.

(b) *European Style Warrants*

In the case of European Style Warrants represented by a Rule 144A Global Warrant held through DTC, if Automatic Exercise is not specified in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Rule 144A Warrant Condition 7 (*Exercise Procedure*), at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Actual Exercise Date, shall become void.

If Automatic Exercise is specified in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Rule 144A Warrant Condition 7 (*Exercise Procedure*), at or prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Actual Exercise Date and which is in the determination of the Calculation Agent "In-The-Money", shall be automatically exercised on the Actual Exercise Date, but payment is subject to the delivery of a duly completed Exercise Notice as set forth in Rule 144A Condition 8 (*Automatic Exercise*). In such event, the provisions of Rule 144A Warrant Condition 8 (*Automatic Exercise*) shall apply.

The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Actual Exercise Date in accordance with this provision.

In the case of European Style Warrants represented by a Rule 144A Global Warrant held through Euroclear or Clearstream, Luxembourg or a Regulation S/Rule 144A Warrant, the provisions of W&C Instruments Condition 23 (*Exercise Rights (Warrants)*) shall apply.

7. **Exercise Procedure**

(a) *Warrants represented by a Rule 144A Global Warrant held through DTC*

Warrants represented by a Rule 144A Global Warrant held through DTC may only be exercised by delivery through computerised exercise instruction through DTC (via its "Deposit and Withdrawal at Custodian" or "DWAC" function or such other authorised communication channel in accordance with DTC's rules and operating procedures) of a duly completed Exercise Notice in the form set out in the Agency Agreement (copies of which form may be obtained from the Instrument Agents) to the U.S. Warrant Agent with a copy to the Principal Warrant Agent and Merrill Lynch International, in accordance with the provisions set out in Rule 144A Warrant Condition 6 (*Exercise Rights*) and this Rule 144A Warrant Condition 7.

In the case of Warrants represented by a Rule 144A Global Warrant held through DTC, the Exercise Notice shall, unless otherwise agreed:

- (i) specify the Series of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) specify the designated account at DTC to be debited with the Warrants being exercised;
- (iii) irrevocably instruct DTC to exercise the Warrants debited to the account of the Holder and credited to the account of the U.S. Warrant Agent by means of DTC's DWAC function (or such other authorised communication channel in accordance with DTC's rules and operating procedures);
- (iv) specify the designated account at DTC to be credited with the Cash Settlement Amount (if any) for each Warrant being exercised;
- (v) include an irrevocable undertaking by the Holder to pay all Expenses and an instruction from the Holders to DTC to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at DTC with an amount or amounts in respect thereof;
- (vi) include a certification that each beneficial owner is a QIB and a QP; and
- (vii) authorise the production of such certification in applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

Upon receipt of an Exercise Notice, the U.S. Warrant Agent shall verify that the person exercising the Warrants is the Holder thereof according to the records of DTC. Subject thereto, the U.S. Warrant Agent shall notify the Issuer of the number of Warrants being

exercised and the account details, if applicable, for the payment of the Cash Settlement Amount of each Warrant being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants held through DTC, the U.S. Warrant Agent will note such exercise on the Register and the number of Warrants so constituted shall be reduced by the redemption pro tanto of the Warrants so exercised.

In the case of Rule 144A Global Warrants held through DTC, the Issuer, through the Principal Warrant Agent, shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the designated account at the U.S. Warrant Agent (or at such other account or bank as may be specified by the U.S. Warrant Agent). In such case, as promptly as practicable thereafter, and provided that the U.S. Warrant Agent is satisfied that delivery to it of funds sufficient to pay the Cash Settlement Amount will be made, the U.S. Warrant Agent will cause the Cash Settlement Amount to be credited to the Holder's account with the U.S. Warrant Agent less any Expenses.

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the U.S. Warrant Agent in consultation with the Principal Warrant Agent in the case of Warrants represented by a Rule 144A Global Warrant held through DTC, and shall be conclusive and binding on the Issuer, the relevant Instrument Agents and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Warrant Agent and Merrill Lynch International immediately after being delivered or sent to the U.S. Warrant Agent, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of the U.S. Warrant Agent in consultation with the Principal Warrant Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the U.S. Warrant Agent and copied to the Principal Warrant Agent and Merrill Lynch International.

If Automatic Exercise is not specified in the applicable Final Terms, any Warrants with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Rule 144A Warrant Condition 6(A) (*American Style Warrants*), in the case of American Style Warrants, or Rule 144A Warrant Condition 6(B) (*European Style Warrants*), in the case of European Style Warrants, shall become void.

The U.S. Warrant Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Warrant Agent, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Instrument Agents or DTC, shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

(b) *Warrants represented by a Regulation S/Rule 144A Global Warrant or a Rule 144A Global Warrant held through Euroclear and/or Clearstream, Luxembourg*

In respect of Warrants represented by a Regulation S/Rule 144A Global Warrant or a Rule 144A Global Warrant held through Euroclear and/or Clearstream, Luxembourg, the provisions of W&C Instruments Condition 24(A)(a)(1) (*Exercise Procedures (Warrants) - Exercise Notices - Warrants represented by a Euroclear/CBL Global Registered Warrant*) in respect of Cash Settled Warrants shall apply except that sub-paragraph (1)(v) shall be amended by the addition of the following after the words "certify, *inter alia*", "either (i) that the beneficial owner of each Warrant being exercised is a QIB/QP (as defined in the Exercise Notice) and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States as set out in the applicable Final Terms, or (ii)".

8. **Automatic Exercise**

Automatic Exercise will apply to Warrants represented by a Rule 144A Global Warrant held through DTC if specified to be applicable in the applicable Final Terms.

In the case of Warrants represented by a Rule 144A Global Warrant held through DTC, in order to receive the Cash Settlement Amount, in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must deliver through computerised exercise instruction through DTC (via its DWAC function or such other authorised communication channel in accordance with DTC's rules and operating procedures) a duly completed Exercise Notice to the U.S. Warrant Agent with a copy to Merrill Lynch International and the Principal Warrant Agent on any New York Business Day until not later than 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Cut-Off Date (as defined in W&C Instruments Condition 24(E) (*Exercise Procedures (Warrants) - Automatic Exercise*)).

The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Rule 144A Warrant Condition 7(a) (*Warrants represented by a Rule 144A Global Warrant held through DTC*). The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-Off Date on which an Exercise Notice is delivered to the U.S. Warrant Agent and a copy thereof delivered to Merrill Lynch International and the Principal Warrant Agent is referred to in this Rule 144A Warrant Condition 8 as the "Exercise Notice Delivery Date", provided that if the Exercise Notice is delivered to the U.S. Warrant Agent at or after 5.00 p.m., New York City time, on a New York Business Day, the Exercise Notice Delivery Date shall be deemed to be the next succeeding New York Business Day.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Terms and Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be the fourth Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not so deliver an Exercise Notice in accordance with this Rule 144A Warrant Condition 8 prior to 5.00 p.m., New York City time, on the New York Business Day immediately preceding the Cut-Off Date, such Warrants will expire worthless, and the Issuer's obligations in respect of such Rule 144A Warrants and the Guarantor's obligations in respect of the Guarantee shall be discharged and no further liability in respect thereof shall attach to the Issuer or the Guarantor.

9. **Repurchases**

Rule 144A Warrants purchased by the Issuer, the Guarantor or any of their Affiliates pursuant to W&C Instruments Condition 10 (*Repurchases*) may only be resold pursuant to Rule 144A or Regulation S.

10. **Additional Amounts**

In respect of Warrants represented by a Rule 144A Global Warrant held through DTC, the provisions of Condition 4 (*Additional Amounts Condition*) of Part 2 (*W&C Instruments Product Conditions*) of "Annex 1 - *Additional Product Terms and Conditions*", shall apply except that references therein to "relevant Clearing Systems" shall be replaced by "DTC".

11. **U.S. Warrant Agent**

The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the U.S. Warrant Agent and to appoint further or additional Instrument Agents as provided in W&C Instruments Condition 11 (*Agents, Determinations, Modifications and Meeting Provisions*), provided that, so long as any of the Warrants are represented by a Rule 144A Global Warrant held through DTC, there shall be a U.S. Warrant Agent.

12. **Notices**

For so long as the Warrants are represented by a Rule 144A Global Warrant held through DTC, the reference in the first paragraph of W&C Instruments Condition 12 (*Notices*) to "each

Clearing System" and the references in the fifth paragraph of W&C Instruments Condition 12 (*Notices*) to "a Clearing System" and "the relevant Clearing System" shall be replaced by "DTC".

13. **Substitution of the Issuer**

The Issuer, or any previous substituted company may, at any time, without the consent of the Holders, substitute for itself as principal obligor under Warrants represented by a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant any company, being the Guarantor or any of its other subsidiaries as provided in W&C Instruments Condition 15 (*Substitution of the Issuer, Consolidation and Merger*), provided that the Substitute and the Warrants satisfy all the applicable requirements of Rule 144A.

ANNEX 9

ADDITIONAL TERMS AND CONDITIONS FOR SECURED W&C INSTRUMENTS

1. **Interpretation**

If this Annex 9 is specified as applicable in the applicable Final Terms, the terms and conditions applicable to Secured W&C Instruments shall comprise the terms and conditions of the W&C Instruments (the "**W&C Instruments Conditions**"), the Additional Terms and Conditions for Secured W&C Instruments set out below (the "**Secured W&C Instruments Conditions**") and the applicable Product Conditions, in each case, subject to completion in the applicable Final Terms. For the avoidance of doubt, where this Annex 9 applies, the terms of Annex 10 shall not apply to the Secured W&C Instruments.

2. **Definitions**

For the purposes of these Secured W&C Instruments Conditions:

"Acceleration Event" has the meaning given to it in Secured W&C Instruments Condition 4.8.1.

"Acceleration Instruction" has the meaning given to it in Secured W&C Instruments Condition 4.8.2.

"Acceleration Notice" means a notice substantially in the form in Schedule 24 of the Agency Agreement delivered by a Holder of any Non-Waived W&C Instrument to the relevant Instrument Agent:

- (a) specifying that a Secured W&C Instrument Event of Default has occurred and is continuing in respect of such Non-Waived W&C Instrument;
- (b) instructing the Security Agent to deliver the notices specified in Secured W&C Instruments Condition 6.1;
- (c) instructing the Security Agent to enforce the security constituted by the relevant Deed of Charge and distribute the proceeds (and, if applicable, physically settle the Entitlement), in each case, in accordance with these Secured W&C Instruments Conditions and the terms of the relevant Deed of Charge and the Security Agency Agreement;
- (d) instructing the Security Agent to appoint a Disposal Agent, if a Disposal Agent has not already been appointed, and provide instructions to the Disposal Agent in accordance with these Secured W&C Instruments Conditions; and
- (e) instructing the Security Agent to perform any further actions of the Security Agent specified in these Secured W&C Instruments Conditions, the relevant Deed of Charge and the Security Agency Agreement or any reasonably incidental actions,

provided that the Security Agent shall not be bound by any such instruction until it receives an Acceleration Instruction in accordance with Secured W&C Instruments Condition 4.8.2.

Any Acceleration Notice shall be in writing and delivered to the Issuer and the relevant Instrument Agent and shall include such details as are necessary to establish and verify the Non-Waived W&C Instruments held by the Holder delivering such notice.

"Affiliate" has the meaning given to it in W&C Instruments Condition 4.

"Cash" means the money and currency of any jurisdiction which the Collateral Agent accepts for deposit in a Collateral Account.

"Charged Documents" means each of the Collateral Provider Agreement, the Valuation Agency Agreement and the relevant Triparty Account Control Agreement.

"Collateral Account" has the meaning given to it in Secured W&C Instruments Condition 4.1.

"Collateral Agent" means The Bank of New York Mellon, London Branch (or any substitute or replacement entity appointed in respect thereof pursuant to the terms of the relevant Triparty Account Control Agreement), and, if applicable, any sub-agent of, or any other entity appointed by the Collateral Agent.

"Collateral Agent Notice" means a notice (which may be given in any form agreed between the Collateral Agent and the Collateral Provider, including but not limited to, electronic message, exchange of electronic files or by telephone) from the Collateral Agent to the Collateral Provider providing details of why the Collateral Agent considers that the Collateral Test is not satisfied in respect of a Collateral Test Date or that the Collateral Test will not be satisfied (or will no longer be satisfied) after taking into account any adjustments specified in a Collateral Test Notice.

"Collateral Assets" means the MTM Collateral Assets and the Static Collateral Assets Delivered into and held in a Collateral Account operated by the Collateral Agent under the terms of the relevant Triparty Account Control Agreement.

"Collateral Arrangement Party" means the Collateral Provider, the Collateral Agent, the Custodian and the Secured W&C Instruments Valuation Agent.

"Collateral Business Day" means a day:

- (a) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
- (b) the offices of the Collateral Agent in London are open for business.

"Collateral Enforcement Notice" means a notice in writing from the Security Agent (acting in accordance with an Acceleration Instruction) to the Issuer, the Collateral Provider and the relevant Instrument Agent in or substantially in the form annexed to the relevant Deed of Charge:

- (a) specifying that a Series of Secured W&C Instruments are immediately due and repayable at their Early Settlement Amount (and, where "Physical Delivery of Static Collateral Assets" is specified to be applicable in the applicable Final Terms, that such Secured W&C Instruments will be subject to settlement in accordance with Secured W&C Instruments Condition 6.9); and
- (b) enforcing the security constituted by the relevant Deed of Charge in accordance with the terms thereof and the terms of these Secured W&C Instruments Conditions and the Security Agency Agreement.

"Collateral Pool" means, in respect of a Series of Secured W&C Instruments, a pool of Collateral Assets held in a Collateral Account and over which a fixed charge is granted pursuant to the relevant Deed of Charge.

"Collateral Provider" means Merrill Lynch International (or any substitute or replacement entity appointed in respect thereof pursuant to the terms of the Collateral Provider Agreement and/or these Secured W&C Instruments Conditions) and, if applicable, any sub-agent of, or any other entity appointed by the Collateral Provider.

"Collateral Provider Agreement" means the agreement between, *inter alia*, Merrill Lynch International as Collateral Provider and the Issuer as amended, restated and/or supplemented from time to time.

"Collateral Test" means, in respect of a Collateral Pool and a Collateral Test Date, (and the Collateral Test will be satisfied if) each of the MTM Collateral Test and the Static Collateral Test is satisfied in respect of such Collateral Test Date.

"Collateral Test Date" means, in respect of a Collateral Pool, the Issue Date of the relevant Series of Secured W&C Instruments which are secured by such Collateral Pool and each Collateral Business Day falling in the period from, but excluding, the Issue Date of such Secured W&C Instruments and ending on, and including, the final Valuation Date, Observation Date or Averaging Date (as applicable) of such Secured W&C Instruments.

"Collateral Test Notice" means a notice sent or caused to be sent by the Collateral Provider to the Collateral Agent in relation to a particular Collateral Pool specifying the MTM Collateral Specified Percentage of the Required MTM Collateral Value, and the Static Collateral Specified Percentage of the Required Static Collateral Nominal Amount, for such Collateral Pool in respect of the relevant Collateral Test Date (and such notice may (but is not required to) include specific adjustments to be made to the Collateral Pool (including *inter alia* the type and quantity of any Collateral Assets to be deposited and/or removed)).

"Collateral Transaction Documents" means the Collateral Provider Agreement, the Custodian Agreement to the extent to which it relates to the Collateral Accounts, the Valuation Agency Agreement, the Security Agency Agreement and each relevant Deed of Charge and Triparty Account Control Agreement.

"Collateral Valuation Currency" means the currency specified as such in the applicable Final Terms.

"Collateral Valuation Time" means on or around the opening of the relevant Collateral Business Day or such other time as the Collateral Agent determines the Collateral Value on the relevant Collateral Test Date.

"Collateral Value" means, in respect of a Collateral Pool and a Collateral Test Date, an amount expressed in the Collateral Valuation Currency equal to the sum of the Margin Value of each Eligible MTM Collateral Asset in such Collateral Pool on such Collateral Test Date, as determined by the Collateral Agent.

"Control Event Notice" means a notice in writing given in accordance with the relevant Triparty Account Control Agreement from the Collateral Provider to the Collateral Agent specifying that the Collateral Agent act solely upon the instructions of the Collateral Provider with respect to the relevant Collateral Account and instructing the Collateral Agent to deliver the Collateral Assets held in such Collateral Account to the Collateral Provider.

"Custodian" means The Bank of New York Mellon, London Branch (or any substitute or replacement entity appointed in respect thereof pursuant to the terms of the Custodian Agreement) and, if applicable, any sub-custodian of, or any other entity appointed by the Custodian.

"Custodian Agreement" means the agreement between, *inter alia*, The Bank of New York Mellon, London Branch as Custodian and the Collateral Provider as amended, restated and/or supplemented from time to time.

"Deed of Charge" means a deed of charge governed by English law between the Collateral Provider and the Security Agent under which:

- (a) the Collateral Provider charges by way of first fixed charge its rights and title in the Collateral Assets contained in one or more Collateral Accounts in favour of the Security Agent on behalf of itself and the other Secured Parties in accordance with the Security Agency Agreement; and
- (b) the Collateral Provider assigns by way of security its rights, title and interest in the Collateral Accounts (including, without limitation, any contractual rights, interests or claims relating to such Collateral Accounts) and the Charged Documents in favour of the Security Agent on behalf of itself and the other Secured Parties in accordance with the Security Agency Agreement.

"Deliver" means to deliver, novate, transfer, assign or sell, as appropriate, in a manner customary for the settlement of the applicable Collateral Asset (which shall include executing

all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Collateral Asset free and clear of any and all liens, charges, claims or encumbrances. **"Delivery"** and **"Delivered"** will be construed accordingly.

"Disposal Agent" means any agent appointed by the Security Agent to realise, dispose of and, if applicable, physically settle Collateral Assets held in a Collateral Account securing the relevant Series of Secured W&C Instruments (or any substitute or replacement entity appointed in respect thereof) following the delivery of a Collateral Enforcement Notice and, if applicable, any sub-agent of, or any other entity appointed by the Disposal Agent.

"Eligibility Criteria" means, in relation to a Series of Secured W&C Instruments and an Eligible MTM Collateral Class, each of the following criteria that is specified to be applicable in the row of the MTM Collateral Assets Table set out in the applicable Final Terms corresponding to such Eligible MTM Collateral Class (as the case may be):

- (a) the MTM Collateral Asset is a debt security ("**Debt Security**") or an equity security ("**Equity Security**");
- (b) the MTM Collateral Asset has the ISIN specified in the applicable Final Terms (each a "**Relevant ISIN**");
- (c) the issuer in respect of the relevant MTM Collateral Asset operates in any of the Industry Sectors specified in the applicable Final Terms;
- (d) the issuer in respect of that MTM Collateral Asset is the entity, sovereign or supranational entity specified in the applicable Final Terms or is of the type of entity, sovereign or supranational specified in the applicable Final Terms (each a "**Relevant Issuer**");
- (e) the issuer in respect of that MTM Collateral Asset is incorporated in any of the jurisdictions specified in the applicable Final Terms (each, a "**Jurisdiction of Incorporation**");
- (f) the issuer in respect of the relevant MTM Collateral Asset has, at the date specified in the applicable Final Terms, such credit ratings as are specified in the applicable Final Terms (the "**Relevant Rating**");
- (g) the aggregate amount outstanding in respect of the asset comprising the MTM Collateral Asset is an amount not less than any minimum amount specified in the applicable Final Terms (the "**Minimum Outstanding Amount**") and an amount not greater than any maximum amount specified in the applicable Final Terms (the "**Maximum Outstanding Amount**");
- (h) the currency in which the relevant MTM Collateral Asset is denominated is one of the currencies specified in the applicable Final Terms (the "**Relevant Currency**");
- (i) the relevant MTM Collateral Asset is eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**ECB Eligible**");
- (j) the relevant MTM Collateral Asset has such ranking(s) ("**Collateral Asset Ranking(s)**") relevant to the debt obligations of the obligor in respect of the relevant Collateral Asset as are specified in the applicable Final Terms;
- (k) the relevant MTM Collateral Asset is listed on one of the exchanges ("**Listed**") specified in the applicable Final Terms or, if "Any Exchange" is specified in the applicable Final Terms, the MTM Collateral Asset is listed on any exchange;
- (l) the time remaining to maturity of the relevant MTM Collateral Asset is, at the relevant date, not less than the minimum time to maturity specified in the applicable Final Terms (the "**Minimum Time to Maturity**") and/or not greater than the maximum time to maturity specified in the applicable Final Terms (the "**Maximum Time to Maturity**");

- (m) when taken together with the other MTM Collateral Assets of the applicable Eligible MTM Collateral Class held in the relevant Collateral Account, the relevant MTM Collateral Asset would not breach the concentration limit (expressed as a percentage) specified in the row of the MTM Collateral Assets Table set out in the applicable Final Terms corresponding to such Eligible MTM Collateral Class (the "**Concentration Limit**");
- (n) the issuer in respect of the relevant MTM Collateral Asset is not a United States person (as determined for U.S. federal income tax purposes) and no payment with respect to, or in connection with, the MTM Collateral Asset is treated as a United States source payment (as determined for U.S. federal income tax purposes) or could become a United States source payment as a result of Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended; and
- (o) the issuer in respect of such MTM Collateral Asset is not incorporated in the United Kingdom and no payment with respect to, or in connection with, the MTM Collateral Asset has a United Kingdom source.

If any such Eligibility Criteria are not specified in the row of the MTM Collateral Assets Table set out in the applicable Final Terms corresponding to such Eligible MTM Collateral Class, such criteria shall be deemed not to apply in respect of such Eligible MTM Collateral Class, except for criteria (n) and (o) which shall apply to each Eligible MTM Collateral Class even if not specified in the row of the MTM Collateral Assets Table set out in the applicable Final Terms corresponding to such Eligible MTM Collateral Class.

Notwithstanding the Eligibility Criteria specified to be applicable in the applicable Final Terms in respect of a Series of Secured W&C Instruments, the Collateral Agent shall be obliged to refer only to the terms of the relevant Triparty Account Control Agreement in determining whether the MTM Collateral Assets comply with the eligibility criteria set out in the relevant Triparty Account Control Agreement.

Notwithstanding the foregoing, if "Only Initial MTM Collateral Assets are Eligible" is specified to be applicable in the applicable Final Terms, the only MTM Collateral Assets that will be deemed to meet the Eligibility Criteria of each Eligible MTM Collateral Class will be those which are of the same type as the MTM Collateral Assets Delivered into the Collateral Account on the Issue Date.

"Eligible MTM Collateral Assets" means Cash and assets which satisfy all of the Eligibility Criteria applicable to an Eligible MTM Collateral Class. Assets which satisfy all of the Eligibility Criteria that are specified to be applicable to an Eligible MTM Collateral Class will be Eligible MTM Collateral Assets notwithstanding that such assets do not satisfy the Eligibility Criteria applicable to another Eligible MTM Collateral Class.

"Eligible MTM Collateral Class" means the Eligibility Criteria that are specified to be applicable in a row of the MTM Collateral Asset Table set out in the applicable Final Terms and which together define a class or type of Eligible MTM Collateral Assets.

"Eligible Static Collateral Assets" means debt securities that have the ISIN specified to be the "Relevant Static Collateral ISIN" in the applicable Final Terms and debt securities that satisfy all of the Eligibility Criteria applicable to an Eligible MTM Collateral Class.

"Extraordinary Security Agent Liabilities" means Liabilities incurred by the Security Agent and, where applicable, the Disposal Agent, in the event that the Security Agent determines, acting reasonably, that it is necessary or is requested by the Issuer, the Collateral Provider or any Secured Party to undertake duties which are of an exceptional nature or otherwise outside the scope of the duties of the Security Agent and, where applicable, the Disposal Agent, under the Security Agency Agreement, the Deed of Charge and the Secured W&C Instruments Conditions.

"Industry Sector" means, in respect of an entity, any of the following industries in which that entity operates: aerospace and defense; automobile; banking; beverage, food and tobacco; buildings and real estate; chemicals, plastics and rubber; containers, packaging and glass;

personal and non durable consumer products (manufacturing only); diversified/conglomerate manufacturing; diversified/conglomerate service; diversified natural resources, precious metals; ecological; electronics; finance; farming and agriculture; grocery; healthcare, education and childcare; home and office furnishings, housewares and durable consumer products; hotels, motels, inns and gaming; insurance; leisure, amusement, entertainment; machinery (non-agriculture, non-construction, non-electronic); mining, steel, iron and non precious metals; oil and gas; personal, food and miscellaneous; printing and publishing; cargo transport; retail stores; telecommunications; textiles and leather; personal transportation; utilities; broadcasting and entertainment; sovereign and supranational.

"Liability" means, for the purposes of these Secured W&C Instruments Conditions, any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis (and **"Liabilities"** shall be construed accordingly).

"Margin Percentage" means, in respect of an MTM Collateral Asset, the percentage amount specified in the row of the MTM Collateral Assets Table set out in the applicable Final Terms corresponding to the Eligible MTM Collateral Class of such Collateral Asset contained in a Collateral Pool. For the avoidance of doubt, the applicable Final Terms shall specify one Margin Percentage value per Eligible MTM Collateral Class.

"Margin Value" means, in respect of an Eligible MTM Collateral Asset in a Collateral Pool on a Collateral Test Date, an amount equal to the quotient of (a) the Market Value of such Eligible MTM Collateral Asset for such Collateral Test Date, divided by (b) the Margin Percentage applicable to such Eligible MTM Collateral Asset, as determined by the Collateral Agent.

"Marked-to-Market Option Value" means, in respect of a Collateral Test Date, the amount determined by the Secured W&C Instruments Valuation Agent as the market value of the Option in respect of the Option Valuation Time for such Collateral Test Date and shall be calculated on the basis of such valuation method as the Secured W&C Instruments Valuation Agent may determine in its discretion, acting in good faith and in a commercially reasonable manner and in accordance with the terms of the Valuation Agency Agreement.

"Market Value" means, in respect of a Collateral Test Date and an Eligible MTM Collateral Asset in a Collateral Pool that is:

- (a) a security, an amount expressed in the Collateral Valuation Currency calculated by the Collateral Agent in its sole discretion as the sum of:
 - (i) the market value of such Eligible MTM Collateral Asset in respect of such Collateral Test Date as determined by the Collateral Agent in its sole and absolute discretion based on the most recently available closing bid price (traded or quoted excluding accrued interest in respect of an Eligible MTM Collateral Asset that is a fixed income debt security) for such Eligible MTM Collateral Asset made available to the Collateral Agent as at the Collateral Valuation Time on such Collateral Test Date. The closing bid price used for these purposes will usually be the closing bid price in respect of the trading day for such Eligible MTM Collateral Asset immediately preceding such Collateral Test Date displayed as of the Collateral Valuation Time on pricing information services used generally by the Collateral Agent for pricing such Eligible MTM Collateral Assets, provided that if the Collateral Agent is unable to obtain the closing bid price of such Eligible MTM Collateral Asset from such pricing information services as of the Collateral Valuation Time on such Collateral Test Date, then the market value shall be determined in good faith by the Collateral Agent in the reasonable exercise of its discretion based on information furnished to the Collateral Agent by one or more brokers in such Eligible MTM Collateral Asset or on the basis of a formula

utilised by the Collateral Agent for such purpose in the ordinary course of its business; plus

- (ii) in respect of an Eligible MTM Collateral Asset that is a fixed income debt security, accrued but unpaid distributions (if any) on such Eligible MTM Collateral Asset; or
- (b) Cash, an amount expressed in the Collateral Valuation Currency equal to its nominal or face amount,

in each case, where the relevant currency or denomination of an Eligible MTM Collateral Asset is other than the Collateral Valuation Currency, the Collateral Agent shall convert the value of such Collateral Asset at the relevant spot rate or spot rates in accordance with such method and as at such time as the Collateral Agent may select in its discretion, having regard to then current rates of exchange.

"MTM Collateral Assets" means, in respect of a Series of Secured W&C Instruments, Eligible MTM Collateral Assets that are Delivered into and held in the Collateral Account relating to such Series of Secured W&C Instruments.

"MTM Collateral Assets Table" means the table specified as such in the applicable Final Terms.

"MTM Collateral Specified Percentage" means the percentage specified as such in the applicable Final Terms.

"MTM Collateral Test" means, in respect of a Collateral Pool and a Collateral Test Date, a determination by the Collateral Agent as to whether the Collateral Value in respect of such Collateral Test Date is greater than or equal to the MTM Collateral Specified Percentage of the Required MTM Collateral Value in respect of such Collateral Test Date. When determining whether the MTM Collateral Test is satisfied, MTM Collateral Assets for which instructions for the transfer to the relevant Collateral Account have been provided on or before such Collateral Test Date will be included for the purposes of such determination and MTM Collateral Assets for which instructions for the removal from the relevant Collateral Account have been provided on or before such Collateral Test Date will be excluded for the purposes of such determination.

"Non-Waived W&C Instruments" means, in relation to a Series of Secured W&C Instruments and any relevant date, those Secured W&C Instruments which are not Waived W&C Instruments on such date.

"Notice of Exclusive Control" means a notice in writing given in accordance with (and in or substantially in the form annexed to) the relevant Triparty Account Control Agreement from the Security Agent (acting in accordance with an Acceleration Instruction) to the Collateral Agent specifying that the Collateral Agent act solely upon the instructions of the Security Agent with respect to the relevant Collateral Account and instructing the Collateral Agent to deliver the Collateral Assets held in such Collateral Account to the Security Agent.

"Notional Amount" has the meaning given to it in W&C Instruments Condition 4.

"Option" means the option entered into by the Issuer and/or its Affiliates with a market counterparty in order to hedge that part of the Issuer's payment obligations in respect of the Non-Waived W&C Instruments of one or more Series of Secured W&C Instruments that does not relate to the Notional Amount of such Non-Waived W&C Instruments.

"Option Termination Costs" means, in connection with any early redemption of any Series of Secured W&C Instruments, any losses or costs (expressed as a positive number) to the Issuer and/or its Affiliates that are incurred under then prevailing circumstances in unwinding the portion of the Option attributable to the Non-Waived W&C Instruments of such Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner.

"Option Valuation Date" means, in respect of a Collateral Test Date, the Collateral Business Day immediately preceding such Collateral Test Date, or, if a valuation of the relevant Option is not available on such date, the date of the last available valuation of such Option.

"Option Valuation Time" means, in respect of a Collateral Test Date, the close of trading in the relevant markets on the Option Valuation Date for such Collateral Test Date, as determined by the Secured W&C Instruments Valuation Agent in its sole and absolute discretion.

"Order of Priority" means the order specified in the applicable Final Terms following which the Security Agent shall apply moneys received following enforcement of the relevant Deed of Charge and the Charged Documents in accordance with Secured W&C Instruments Condition 6 below. The Order of Priority may be the Standard Order of Priority (as defined below) or any alternative order of item (c), (d) and (e) below, as specified in the applicable Final Terms (provided that items (a) and (b) shall always be the first and second items in the Order of Priority):

- (a) in from time to time setting aside Security Agent Amounts which the Security Agent will apply in settlement of Security Agent Liabilities and from which the Security Agent may apply in settlement of Extraordinary Security Agent Liabilities;
- (b) on a *pro rata* and *pari passu* basis, in payment or satisfaction of all Liabilities incurred by or payable by the Issuer and/or the Collateral Provider, in relation to the relevant Secured W&C Instruments, to the Security Agent and, where applicable, the Disposal Agent (which shall include any taxes required to be paid, the costs of realising any security (including the distribution of enforcement proceeds and/or, where "Physical Delivery of Static Collateral Assets" is applicable, Delivery of the Entitlement to the Holders of the related Secured W&C Instruments) and the remuneration of the Security Agent and, where applicable, the Disposal Agent) such amounts together the **"Security Agent Liabilities"**;
- (c) in payment of any amounts due to be paid or reimbursed to the Collateral Agent by the Collateral Provider;
- (d) in payment of any amounts due to Holders of Non-Waived W&C Instruments in accordance with Secured W&C Instruments Condition 6 below;
- (e) *pro rata* in payment of any amounts owed to the creditors (if any) whose claims have arisen as a result of the creation, operation or liquidation of the Collateral Assets (save to the extent that the claims of any such creditor fall within paragraphs (a) to (d) above); and
- (f) payment of the balance (if any) to the Collateral Provider,

and the **"Standard Order of Priority"** means that the Order of Priority shall follow the order (a), (b), (c), (d), (e), (f) specified above.

"Physical Delivery of Collateral Assets Disruption Event" means any event beyond the control of the Issuer, the Collateral Provider, the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), as applicable, as a result of which the Physical Delivery Clearing System cannot Deliver some or all of the Entitlement required to be delivered pursuant to the terms of these Secured W&C Instruments Conditions.

"Physical Delivery Clearing System" has the meaning given to it in W&C Instruments Condition 24(C)(b) or 29(A) (as applicable).

"Pool Aggregate Collateral Nominal Amount" means, in respect of a Collateral Pool and any relevant date, an amount expressed in the Collateral Valuation Currency equal to the aggregate nominal amount of the Static Collateral Assets held in the Collateral Account on such date, as determined by the Collateral Agent in accordance with the terms of the relevant Triparty Account Control Agreement.

Where the relevant currency or denomination of an Eligible Static Collateral Asset is other than the Collateral Valuation Currency, the Collateral Agent shall convert the nominal amount of such Collateral Asset at the relevant spot rate or spot rates in accordance with such method and as at such time as the Collateral Agent may select in its discretion, having regard to then current rates of exchange.

"Required Collateral Default" means, following receipt by the Collateral Provider of a Collateral Agent Notice which indicates that the Collateral Test is not satisfied (or will not be satisfied after taking into account any adjustments specified in a Collateral Test Notice), the Collateral Provider fails to instruct the Collateral Agent to transfer sufficient additional Eligible MTM Collateral Assets and/or Eligible Static Collateral Assets into the Collateral Account to satisfy the Collateral Test and/or Deliver the additional necessary Collateral Assets and such failure results in the Collateral Test not being satisfied for one Collateral Business Day following delivery of such Collateral Agent Notice (when determining whether the Collateral Test has been so satisfied, only Collateral Assets which have actually been transferred to the relevant Collateral Account shall be taken into account).

"Required Collateral Default Notice" means a notice (which may be given in any form agreed between the Collateral Agent and the Collateral Provider, including but not limited to, electronic message, exchange of electronic files or by telephone) given in accordance with the relevant Triparty Account Control Agreement by the Collateral Agent to the Collateral Provider and the Security Agent, specifying that a Required Collateral Default has occurred.

"Required MTM Collateral Value" means, in respect of a Collateral Pool and a Collateral Test Date, the greater of zero and the sum of each portion of the Marked-to-Market Option Value in respect of the Option Valuation Time for such Collateral Test Date that relates to a Non-Waived W&C Instrument of the relevant Series of Secured W&C Instruments which are secured by such Collateral Pool, as determined by the Secured W&C Instruments Valuation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner.

"Required Static Collateral Nominal Amount" means, in respect of a Collateral Pool which secures a Series of Secured W&C Instruments and any relevant date, the sum of the Notional Amount of each Non-Waived W&C Instrument of such Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent.

"Security Agent" means The Bank of New York Mellon (or any substitute or replacement entity appointed in respect thereof pursuant to the terms of the Security Agency Agreement and/or these Secured W&C Instruments Conditions).

"Security Agency Agreement" means the Security Agency Agreement governed by New York law between the Security Agent, the Collateral Provider and the Issuer as amended, restated and/or supplemented from time to time.

"Security Agent Amounts" means such amounts as the Security Agent from time to time determines, acting reasonably, that it shall require in order to satisfy any Extraordinary Security Agent Liabilities, having regard to any amounts received pursuant to Clause 2.6(d) (*Exculpatory Provisions*) of the Security Agency Agreement.

"Secured Parties" means the parties referred to in sub-paragraphs (a) to (f) (inclusive) of the definition of Order of Priority (each, a **"Secured Party"**).

"Secured W&C Instrument Event of Default" has the meaning given in Secured W&C Instruments Condition 4.8.

"Secured W&C Instruments Valuation Agent" means Merrill Lynch International (or any substitute or replacement entity (including any Replacement Secured W&C Instruments Valuation Agent) appointed in respect thereof pursuant to the terms of the Valuation Agency Agreement and/or these Secured W&C Instruments Conditions) and, if applicable, any sub-agent of, or any other entity appointed by the Secured W&C Instruments Valuation Agent.

"Static Collateral Assets" means, in respect of a Series of Secured W&C Instruments, Eligible Static Collateral Assets that are Delivered into and held in the Collateral Account relating to such Series of Secured W&C Instruments.

"Static Collateral Hedge Termination Costs" means, in connection with any early redemption of any Series of Secured W&C Instruments, any losses or costs (expressed as a positive number) to the Issuer and/or its Affiliates that are incurred under then prevailing circumstances in unwinding any hedging arrangements in respect of the aggregate Notional Amount of each Non-Waived W&C Instrument in such Series of Secured W&C Instruments (including any cost of funding in respect of such hedging arrangements) and/or the Static Collateral in the Collateral Pool which secures such Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent in its sole and absolute discretion acting in good faith and in a commercially reasonable manner.

"Static Collateral Specified Percentage" means the percentage specified as such in the applicable Final Terms.

"Static Collateral Test" means, in respect of a Collateral Pool and a Collateral Test Date, a determination as to whether the Pool Aggregate Collateral Nominal Amount in respect of such Collateral Test Date is greater than or equal to the Static Collateral Specified Percentage of the Required Static Collateral Nominal Amount in respect of such Collateral Test Date.

"Triparty Account Control Agreement" means the agreement to be entered into between the Collateral Agent, the Collateral Provider and the Security Agent on each Issue Date specified in the applicable Final Terms for a Series of Secured W&C Instruments, as amended, restated and/or supplemented from time to time.

"Undeliverable Collateral Assets" means Static Collateral Assets which the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) is unable to deliver in accordance with Secured W&C Instruments Condition 6.8 due to the occurrence of a Physical Delivery of Collateral Assets Disruption Event.

"Valuation Agency Agreement" means the agreement between, *inter alia*, the Secured W&C Instruments Valuation Agent and the Issuer as amended, restated and/or supplemented from time to time.

"Waived W&C Instrument" means, all Secured W&C Instruments held by the Issuer or its Affiliates, including but not limited to, in its capacity as market maker (if applicable), and, in respect of each such Secured W&C Instrument, the Issuer or its Affiliates shall be deemed to have waived its rights (a) to receive the proceeds of realisation of the Collateral Assets securing such Series of Secured W&C Instruments (and where "Physical Delivery of Static Collateral Assets" is specified as applicable in the applicable Final Terms, delivery of the Static Collateral Assets) following the enforcement of the relevant Deed of Charge and Charged Documents or the cancellation of such Series of Secured W&C Instruments following the occurrence of a Collateral Asset Default and (b) to give an Acceleration Notice on the occurrence of a Secured W&C Instrument Event of Default.

3. General

3.1 Issuer of Secured W&C Instruments

MLICo may issue Secured W&C Instruments. MLBV shall not issue Secured W&C Instruments. References herein to "Issuer" shall be to MLICo.

The Secured W&C Instruments will not be guaranteed by any entity. Each reference in the W&C Instruments Conditions and any applicable Product Conditions to "Guarantor" and "Guarantee" shall be deemed to be deleted.

3.2 Security Agent

In relation to each Series of Secured W&C Instruments, The Bank of New York Mellon shall be appointed as Security Agent and shall undertake the duties of Security Agent in respect of

the Secured W&C Instruments as set out below and in the applicable Final Terms, the relevant Deed of Charge and in the Security Agency Agreement. Each Party to the Security Agency Agreement has irrevocably and unconditionally waived, and each Secured Party is deemed to have irrevocably and unconditionally waived, any and all right to trial by jury in action, suit or counterclaim arising in connection with the Security Agency Agreement. The expression "Security Agent" shall, in relation to the relevant Secured W&C Instruments, include any substitute or replacement entity appointed as Security Agent in respect thereof pursuant to the terms of the Security Agency Agreement.

In relation to each Series of Secured W&C Instruments, the Security Agent will enter into a Deed of Charge. Under the terms of the relevant Deed of Charge:

- (a) the Collateral Provider will covenant to the Security Agent for itself, the Holders of the Non-Waived W&C Instruments and the other relevant Secured Parties under the Security Agency Agreement that it will duly and punctually pay or discharge the Issuer's obligations in respect of the Series of Secured W&C Instruments to which the Deed of Charge relates and under the Charged Documents, the relevant Deed of Charge and the Security Agency Agreement (the "**Secured Obligations**"), provided that the covenant of the Collateral Provider to pay the Secured Obligations shall be limited to an amount equal to the proceeds of enforcement of the Collateral Assets; the Collateral Provider's covenant shall be satisfied only from those proceeds and the Security Agent shall have no remedy against the Collateral Provider in relation to such covenant other than the enforcement of the security granted by the Deed of Charge; and
- (b) the Security Agent will hold the rights granted to it under the relevant Deed of Charge for itself, the Holders of the Non-Waived W&C Instruments and the other relevant Secured Parties under the Security Agency Agreement.

In performing its role under the Programme, the Security Agent does not act as an advisor to or fiduciary or trustee for the Holders of the Secured W&C Instruments or any other party and nothing in any of the documents relating to the Programme shall be interpreted to constitute the Security Agent as a trustee or fiduciary of the Issuer, the Collateral Provider, the Holders or any other party.

3.3 **Collateral Provider**

Merrill Lynch International shall undertake the duties of Collateral Provider in respect of each Series of Secured W&C Instruments as set out in these Secured W&C Instruments Conditions and in the applicable Final Terms and as further provided for in the Collateral Provider Agreement. The expression "Collateral Provider" shall, in relation to the relevant Secured W&C Instruments, include any substitute or replacement entity appointed as Collateral Provider in respect thereof pursuant to the terms of the relevant Collateral Provider Agreement.

3.4 **Collateral Agent**

The Bank of New York Mellon, London Branch shall undertake the duties of Collateral Agent in respect of each Series of Secured W&C Instruments as set out in the relevant Triparty Account Control Agreement in respect of the relevant Series of Secured W&C Instruments. The expression "Collateral Agent" shall, in relation to the relevant Secured W&C Instruments, include any substitute or replacement entity appointed as Collateral Agent in respect thereof pursuant to the terms of the relevant Triparty Account Control Agreement.

3.5 **Custodian**

The Bank of New York Mellon, London Branch shall undertake the duties of Custodian to the Collateral Provider in respect of each Series of Secured W&C Instruments under the terms of the Custodian Agreement to the extent to which those terms relate to the Collateral Assets. The Custodian Agreement provides for the establishment of cash accounts and securities accounts in the name of the Collateral Provider. The Collateral Provider shall instruct the Custodian to open a segregated Collateral Account in respect of each Series of Secured W&C

Instruments and the relevant Collateral Account shall be operated by the Collateral Agent in accordance with the terms of the relevant Triparty Account Control Agreement. The expression "Custodian" shall include any substitute or replacement entity appointed as Custodian in respect thereof pursuant to the terms of the Custodian Agreement.

3.6 **Secured W&C Instruments Valuation Agent**

Merrill Lynch International shall undertake the duties of Secured W&C Instruments Valuation Agent in respect of the Secured W&C Instruments as set out in these Secured W&C Instruments Conditions and in the applicable Final Terms and as further provided for in the Valuation Agency Agreement. The expression "Secured W&C Instruments Valuation Agent" shall, in relation to the relevant Secured W&C Instruments, include any substitute or replacement entity (including any Replacement Secured W&C Instruments Valuation Agent) appointed as Secured W&C Instruments Valuation Agent in respect thereof pursuant to the terms of the Valuation Agency Agreement.

3.7 **Termination and Replacement**

Each of the Collateral Transaction Documents contain, or will contain, provisions for the termination of such agreement and, as the case may be, the removal or replacement of the role of the relevant Collateral Arrangement Party appointed thereunder. Any such termination, removal and/or replacement will be effected in accordance with the provisions of such agreements and (other than in respect of the Custodian or the Collateral Agent) these Secured W&C Instruments Conditions and may be effected without the consent of Holders, provided that, in respect of the appointment of a replacement Secured W&C Instruments Valuation Agent in accordance with Secured W&C Instrument Condition 6.11 and the Security Agency Agreement, the Security Agent shall not be required to consider the provisions regarding the appointment of a replacement Secured W&C Instruments Valuation Agent contained in the Valuation Agency Agreement. No such termination or removal shall be effective until a replacement entity has been appointed. The Secured W&C Instruments Valuation Agent shall be required to give notice to Holders of any such termination, removal and/or replacement in accordance with W&C Instruments Condition 12 (*Notices*). Any reference to a Collateral Arrangement Party in these Secured W&C Instruments Conditions shall be deemed to include a reference to any entity appointed as a replacement thereof.

A replacement Collateral Arrangement Party may only be appointed when the following conditions are fulfilled: the replacement Collateral Arrangement Party (other than the replacement Custodian or Collateral Agent): (i) is an institution incorporated and in good standing in the United States of America or one of the States thereof or in a state which is, as at the date of the relevant Collateral Transaction Document, a member state of the European Union; (ii) has the requisite resources and legal capacity to perform the duties imposed upon the relevant existing Collateral Arrangement Party under the relevant Collateral Transaction Document and is a recognised provider of the services provided by such Collateral Arrangement Party; (iii) is legally qualified and has the capacity to act as successor to the relevant Collateral Arrangement Party on the terms of the relevant Collateral Transaction Document; and (iv) whose performance of its duties under the relevant Collateral Transaction Document will not cause the Issuer and/or Collateral Provider to become subject to tax in any jurisdiction where such successor is incorporated, established, doing business, has a permanent establishment or is otherwise considered tax resident.

The Security Agency Agreement contains, or will contain, provisions for the termination of such agreement and the removal or replacement of the Security Agent appointed thereunder. Any such termination, removal and/or replacement will be effected in accordance with the provisions of the Security Agency Agreement and may be effected without the consent of Holders. No such termination or removal shall be effective until a replacement Security Agent has been appointed.

3.8 **Notices**

Where any provision of these Secured W&C Instruments Conditions require one party to deliver a notice to another party, such notice may be delivered in any form agreed between the

parties thereto, including but not limited to, by post, electronic message, fax, exchange of electronic files, SWIFT messages, messages through the relevant clearing system or by telephone (provided that any notice given by telephone must, as soon as reasonably practicable, be confirmed in writing between the parties to such telephone conversation and failure to obtain such confirmation shall not invalidate such notice).

4. **Security**

4.1 **Security**

The obligations of the Issuer in respect of the Secured W&C Instruments will be secured by a Deed of Charge pursuant to which:

- (a) the Collateral Provider charges by way of first fixed charge its rights and title in the Collateral Assets contained in one or more Collateral Accounts. The security interest granted shall be over all of the Collateral Provider's rights in and to the Collateral Assets Delivered into and held from time to time in the relevant segregated account established with the Custodian pursuant to and in accordance with the applicable terms of the relevant Triparty Account Control Agreement and the Custodian Agreement for such purpose (the "**Collateral Account**"), excluding any interest or distributions paid on such Collateral Assets to the extent such amounts are not held in the relevant Collateral Account; and
- (b) the Collateral Provider assigns by way of security its rights, title and interest in the Collateral Accounts (including, without limitation, any contractual interests or claims relating to such Collateral Accounts) and the Charged Documents,

in favour of the Security Agent to hold for itself and on behalf of, the relevant Holders and the other relevant Secured Parties under the Security Agency Agreement.

Following the delivery of a Collateral Enforcement Notice, any interest or distributions paid in respect of the Collateral Assets held in the Collateral Account will be credited to the Collateral Account and will be subject to the fixed charge set forth in paragraph (a) above (and such interest or distributions shall be deemed to be MTM Collateral Assets).

4.2 **Collateral Pools**

Each Series of Secured W&C Instruments will be secured by a separate Collateral Pool comprising Collateral Assets held in a segregated Collateral Account.

4.3 **Initial Collateral Assets**

On the Issue Date of a Series of Secured W&C Instruments, the Collateral Provider shall:

- (a) deposit Static Collateral Assets in the relevant Collateral Account such that the Static Collateral Test will be satisfied on the Collateral Test Date falling on such Issue Date; and
- (b) deposit MTM Collateral Assets in the relevant Collateral Account such that the MTM Collateral Test will be satisfied on the Collateral Test Date falling on such Issue Date.

4.4 **Adjustments to Collateral Assets**

On the Collateral Business Day immediately preceding a Collateral Test Date, the Secured W&C Instruments Valuation Agent will determine:

- (a) the portion of the Marked-to-Market Option Value in respect of the Option Valuation Time for such Collateral Test Date that relates to each Non-Waived W&C Instrument of the relevant Series of Secured W&C Instruments and will use that value to determine the MTM Collateral Specified Percentage of the Required MTM Collateral Value; and

- (b) the Static Collateral Specified Percentage of the Required Static Collateral Nominal Amount,

and will send a Collateral Test Notice to the Collateral Agent by no later than 4.30 p.m. London time on such Collateral Test Date, or such other time as may be agreed between the Collateral Provider and the Collateral Agent from time to time. On the Collateral Business Day immediately preceding a Collateral Test Date, the Secured W&C Instruments Valuation Agent will notify the relevant Instrument Agent, with a copy to the Security Agent, of the aggregate number of outstanding Non-Waived W&C Instruments as of such date.

On each Collateral Test Date, the Collateral Agent will determine the Pool Aggregate Collateral Nominal Amount and will verify that the Static Collateral Test is satisfied.

On each Collateral Test Date, the Collateral Agent will calculate the Collateral Value of the MTM Collateral Assets in the Collateral Account and verify that the MTM Collateral Test is satisfied. When determining whether the Collateral Test is satisfied on a Collateral Test Date, Collateral Assets for which instructions for the transfer to the relevant Collateral Account have been provided on or before such Collateral Test Date will be included for the purposes of such determination provided that sufficient Eligible MTM Collateral Assets and Eligible Static Collateral Assets are held in the Custodian Account to effect such transfer and Collateral Assets for which instructions for the removal from the relevant Collateral Account have been provided on or before such Collateral Test Date will be excluded for the purposes of such determination.

In determining whether the Collateral Test is satisfied, the Collateral Agent will verify that the relevant Collateral Assets comply with the eligibility criteria specified in the collateral schedule of the relevant Triparty Account Control Agreement. The Collateral Provider shall be solely responsible for ensuring that the Eligibility Criteria specified in the applicable Final Terms is substantively identical to the eligibility criteria specified in the collateral schedule of the Triparty Account Control Agreement and the Collateral Agent shall not be liable to the Holders or any party for any discrepancy therein.

If on the relevant Collateral Test Date the Collateral Agent determines that the Collateral Test is not satisfied, the Collateral Agent will promptly send the Collateral Provider a Collateral Agent Notice. On the date such Collateral Agent Notice is given, the Collateral Provider will instruct the Collateral Agent to transfer sufficient additional Eligible MTM Collateral Assets or Eligible Static Collateral Assets (as applicable) into the relevant Collateral Account to satisfy the Collateral Test.

The Collateral Provider will ensure that sufficient Eligible MTM Collateral Assets and Eligible Static Collateral Assets are Delivered into the relevant Collateral Account on or before each Collateral Test Date to satisfy the Collateral Test in respect of such Collateral Test Date for the relevant Series of Secured W&C Instruments.

4.5 **Substitution or withdrawal of Collateral Assets**

The Collateral Provider may, subject to the terms of the relevant Triparty Account Control Agreement, withdraw and/or replace MTM Collateral Assets from the relevant Collateral Account provided that following such adjustment the Collateral Test continues to be satisfied. The Collateral Provider will send or cause to be sent a notice to the Collateral Agent specifying the adjustments to be made to the Collateral Pool (including *inter alia* the type and quantity of any MTM Collateral Assets to be deposited and/or removed).

The Issuer and the Collateral Provider shall not be entitled to withdraw and/or replace Static Collateral Assets from the relevant Collateral Account, provided that the Collateral Provider may withdraw from the relevant Collateral Account an aggregate nominal amount of Static Collateral Assets equal to the sum of the Notional Amount of each Non-Waived W&C Instrument that is converted into a Waived W&C Instrument if, following such adjustment, the Collateral Test continues to be satisfied.

4.6 **Delegation to Collateral Provider**

The Issuer has, pursuant to the terms of the Collateral Provider Agreement, delegated to the Collateral Provider the role of managing each Collateral Pool to comply with the requirements of these Secured W&C Instruments Conditions (including, but not limited to, compliance with Secured W&C Instruments Conditions 4.3, 4.4 and 4.5).

4.7 **Required Collateral Default**

Following the occurrence of a Required Collateral Default, the Collateral Agent shall send a Required Collateral Default Notice to the Collateral Provider and the Security Agent, specifying that a Required Collateral Default has occurred. The Collateral Provider shall notify the Issuer of the Required Collateral Default Notice. The Security Agent shall as soon as reasonably practicable after receiving a Required Collateral Default Notice give notice to the relevant Instrument Agent and the relevant Instrument Agent will as soon as reasonably practicable give notice in accordance with W&C Instruments Condition 12 (*Notices*) to all relevant Holders of the receipt of a Required Collateral Default Notice.

4.8 **Secured W&C Instrument Event of Default**

4.8.1 The occurrence of one or more of the following events shall constitute a "**Secured W&C Instrument Event of Default**" with respect to any Series of Secured W&C Instruments:

- (a) default shall be made in the payment of any Additional Amount due in respect of any such Non-Waived W&C Instruments and the default continues for a period of 30 calendar days after the due date; or
- (b) default shall be made in the payment of any Cash Settlement Amount or other termination amount of any such Non-Waived W&C Instruments or in the delivery when due of the Entitlement in respect of any such Non-Waived W&C Instruments (in each case whether at settlement or upon redemption or otherwise), and such default continues for a period of 30 calendar days after the due date; or
- (c) the Issuer shall fail to perform or observe any other term, covenant or agreement contained in the Terms and Conditions applicable to any of such Secured W&C Instruments or in the Agency Agreement for the period of 90 calendar days after the date on which written notice of such failure, requiring the Issuer, as the case may be, to remedy the same, first shall have been given to the relevant Instrument Agent (which will give notice to the Security Agent) and the Issuer by Holders of at least 33 per cent. of the aggregate Notional Amount or by number (as applicable) of any such Non-Waived W&C Instruments outstanding; or
- (d) a court having jurisdiction in the premises shall have entered a decree or order granting relief with respect to the Issuer in an involuntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, trustee, assignee, custodian or sequestrator (or similar official) of the Issuer or of all or substantially all of its property or for the winding up or liquidation of its affairs, and such decree or order shall have remained in force and unstayed for a period of 60 consecutive calendar days; or
- (e) the Issuer shall institute proceedings for relief under any applicable bankruptcy, insolvency or any other similar law now or hereafter in effect, or shall consent to the institution of any such proceedings against it, or shall consent to the appointment of a receiver, liquidator, trustee, assignee, custodian or sequestrator (or similar official) of it or of all or substantially all of its property, or shall make an assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or
- (f) a Required Collateral Default has occurred; or
- (g) any of (i) a failure by the Issuer and/or Collateral Provider to comply with or perform any undertaking or obligation to be complied with or performed by it in accordance

with the Security Agency Agreement or the relevant Deed of Charge if such failure is continuing after any applicable grace period has elapsed, the expiration or termination of such Security Agency Agreement or Deed of Charge, or (ii) the failing or cessation of such Security Agency Agreement or Deed of Charge, or any security granted by the Issuer and/or Collateral Provider, to be in full force and effect prior to the satisfaction of all the obligations of such party under these Secured W&C Instruments Conditions or (iii) the Issuer and/or Collateral Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Security Agency Agreement or Deed of Charge (or such action is taken by any person or entity appointed or empowered to act on the Issuer's and/or Collateral Provider's behalf).

If a Secured W&C Instrument Event of Default shall occur and be continuing with respect to any Series of Secured W&C Instruments, then any Holder may, at its option, send an Acceleration Notice through the relevant Clearing System to the relevant Instrument Agent. If the Holder(s) of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments outstanding send Acceleration Notice(s) through the relevant Clearing System to the relevant Instrument Agent, and if any such default is not waived in accordance with Secured W&C Instruments Condition 4.8.4 below or cured by the Issuer prior to receipt by the relevant Instrument Agent of the latest of such Acceleration Notice(s) required to exceed the 33 per cent. threshold specified above, an "**Acceleration Event**" shall occur in respect of such Series of Secured W&C Instruments.

4.8.2 The relevant Instrument Agent will as soon as reasonably practicable after the occurrence of an Acceleration Event send a notice (in or substantially in the form set out at Schedule 24 of the Agency Agreement) (an "**Acceleration Instruction**") to the Security Agent confirming that the Holders of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of the Non-Waived W&C Instruments outstanding have delivered Acceleration Notices thereby instructing the Security Agent to:

- (a) deliver the notices specified in Secured W&C Instruments Condition 6.1;
- (b) enforce the security constituted by the relevant Deed of Charge and distribute the proceeds (and, if applicable, physically settle the Entitlement), in each case, in accordance with its terms and the provisions of these Secured W&C Instruments Conditions and the Security Agency Agreement;
- (c) appoint a Disposal Agent, if a Disposal Agent has not already been appointed, and provide instructions to the Disposal Agent in accordance with these Secured W&C Instruments Conditions; and
- (d) perform any further actions of the Security Agent specified in these Secured W&C Instruments, the relevant Deed of Charge and the Security Agency Agreement or any reasonable incidental actions,

provided that if, at any time before the Security Agent has taken any steps to enforce the security constituted by the related Security Agency Agreement and/or Deed of Charge or a judgment or decree for payment of the money due with respect to such Secured W&C Instruments has been obtained by any Holder, the Security Agent is notified in writing by the relevant Instrument Agent that the occurrence of an Acceleration Event and its consequences have been rescinded and annulled in accordance with Secured W&C Instruments Condition 4.8.3 below, then such Acceleration Instruction shall be deemed not to have been given and the Security Agent shall be entitled to rely on any such notification from the relevant Instrument Agent without further enquiry and shall incur no liability to the Holders or any other party for any action taken or not taken prior to or as a result of such notification.

4.8.3 At any time following the occurrence of an Acceleration Event and before (i) the Security Agent has taken any steps to enforce the security constituted by the related Security Agency Agreement and/or Deed of Charge or (ii) a judgment or decree for payment of the money due with respect to such Secured W&C Instruments has been obtained by any Holder, the occurrence of an Acceleration Event and its consequences may be rescinded and annulled upon the written consent of Holders of a majority in aggregate Notional Amount or by number

(as applicable) of such Non-Waived W&C Instruments then outstanding, or by resolution adopted by a majority in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments outstanding present or represented at a meeting of Holders at which a quorum is present, as provided in the Agency Agreement, if:

- (a) (i) the Issuer has paid, or has deposited with the relevant Clearing System, a sum sufficient to pay:
 - (A) all overdue Additional Amounts on such Secured W&C Instruments;
 - (B) the Cash Settlement Amount or other termination amount of such Secured W&C Instruments which has become due otherwise than by such declaration of acceleration; or
- (ii) in the case of Secured W&C Instruments to be settled by physical delivery, the Issuer has delivered the relevant assets to any agent appointed by the Issuer to deliver such assets to the Holders of the Non-Waived W&C Instruments; and
- (b) all Secured W&C Instrument Events of Default with respect to such Secured W&C Instruments, other than the non-payment of the Cash Settlement Amount or other termination amount of such Secured W&C Instruments which has become due solely by such declaration of acceleration, have been cured or waived as provided in Secured W&C Instruments Condition 4.8.4 below.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

- 4.8.4 Any default by the Issuer and/or Collateral Provider, other than the events described in Secured W&C Instruments Condition 4.8.1(a) or Secured W&C Instruments Condition 4.8.1(b), and other than an event described in Secured W&C Instruments Condition 4.8.1(c) in respect of a covenant or provision of the Terms and Conditions which cannot be amended or modified without the passing of an Extraordinary Resolution of Holders, may be waived by the written consent of Holders of a majority in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments then outstanding affected thereby, or by resolution adopted by a majority in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments then outstanding present or represented at a meeting of Holders affected thereby at which a quorum is present, as provided in the Agency Agreement. Upon any such waiver, such default shall cease to exist, and any Secured W&C Instrument Event of Default arising therefrom shall be deemed to have been cured, for every purpose of the Agency Agreement, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

4.9 Status

W&C Instruments Condition 2 (*Status of the W&C Securities and Guarantee*) shall not apply to the Secured W&C Instruments. The Secured W&C Instruments constitute direct, limited recourse, unsubordinated and secured obligations of the Issuer and rank equally among themselves.

Notwithstanding W&C Instruments Condition 2 (*Status of the W&C Securities and Guarantee*), the obligations of the Guarantor under the Guarantee shall not apply to Secured W&C Instruments. **The Secured W&C Instruments are not guaranteed by the Guarantor or any other entity.**

5. Collateral Provider, Collateral Agent, Custodian, Security Agent, Secured W&C Instruments Valuation Agent and relevant Instrument Agent

In relation to each Series of Secured W&C Instruments, the Secured W&C Instruments Valuation Agent acts solely as an agent of the Issuer, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. In relation to each issue of Secured W&C Instruments, the Collateral Agent acts solely as an agent of the Collateral Provider, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders or the Issuer.

The Collateral Provider acts as an arms-length third party and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. For the avoidance of doubt, the Custodian does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders, the Issuer or the Security Agent.

In acting in connection with any Series of Secured W&C Instruments, the Security Agent does not act as an advisor to or fiduciary or trustee for the Holders or any other party and nothing in any of the documents relating to the Programme shall be interpreted to constitute the Security Agent as a trustee or fiduciary of the Issuer, the Collateral Provider, the Holders or any other party.

All calculations and determinations made in respect of the Secured W&C Instruments by the Collateral Provider, Collateral Agent and Secured W&C Instruments Valuation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Holders and the Security Agent (as applicable).

Each of the Collateral Provider and Secured W&C Instruments Valuation Agent may, with the consent of the Issuer, delegate any of their obligations and functions to a third party as provided for in the Collateral Provider Agreement, Valuation Agency Agreement and each Triparty Account Control Agreement, as applicable. The Collateral Agent may delegate any of its obligations and functions to a third party as provided for in the relevant Triparty Account Control Agreement.

In acting in connection with any Series of Secured W&C Instruments, the relevant Instrument Agent shall act solely as an agent of the Issuer and will not assume any obligations towards or relationship of agency or trust for or with any of the Holders of such Secured W&C Instruments.

6. Default, Enforcement and Realisation

6.1 Acceleration and Enforcement of Collateral

If the Security Agent receives an Acceleration Instruction, the Security Agent shall (acting in accordance with such Acceleration Instruction), as soon as reasonably practicable:

- (i) deliver a Collateral Enforcement Notice (in or substantially in the form annexed to the relevant Deed of Charge) in respect of such Series of Secured W&C Instruments to each of the Issuer, the Collateral Provider and the relevant Instrument Agent ;
- (ii) deliver a Notice of Exclusive Control (in or substantially in the form annexed to the relevant Triparty Account Control Agreement) in respect of the Collateral Account of such Series of Secured W&C Instruments to the Collateral Agent;
- (iii) give notice to the relevant Instrument Agent of the occurrence of an Acceleration Event and the delivery of such Collateral Enforcement Notice and Notice of Exclusive Control and the relevant Instrument Agent will give notice of the same in accordance with W&C Instruments Condition 12 (*Notices*) to all relevant Holders; and
- (iv) appoint a Disposal Agent, if a Disposal Agent has not already been appointed, and provide instructions to the Disposal Agent in accordance with the Secured W&C Instruments Conditions.

Upon delivery of the Collateral Enforcement Notice, all Secured W&C Instruments in respect of which the Collateral Enforcement Notice is served will become immediately due and repayable at their Early Settlement Amount and, where "Physical Delivery of Collateral Assets" is specified to be applicable in the applicable Final Terms, such Secured W&C Instruments will also be subject to settlement in accordance with Secured W&C Instruments Condition 6.9.

As soon as reasonably practicable following the delivery of a Collateral Enforcement Notice, the Issuer shall, and shall procure that its Affiliates that hold Waived W&C Instruments, of the Series of Secured W&C Instruments in respect of which the Collateral Enforcement Notice is

served, submit such Waived W&C Instruments for cancellation free of payment and, following such cancellation, the Secured W&C Instruments Valuation Agent shall notify the Security Agent of the number of outstanding Non-Waived W&C Instruments of such Series.

6.2 Definition of "Early Settlement Amount"

6.2.1 Following notification of the MTM Collateral Enforcement Proceeds and, where "Physical Delivery of Static Collateral Assets" is specified to be not applicable in the applicable Final Terms, the Static Collateral Enforcement Proceeds by the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) to the Secured W&C Instruments Valuation Agent in accordance with Secured W&C Instruments Condition 6.3, the Early Settlement Amount payable in respect of a Non-Waived W&C Instrument of such Series shall be determined by the Secured W&C Instruments Valuation Agent in accordance with paragraph (a) or (b) below (as applicable):

- (a) if the applicable Final Terms specify "Physical Delivery of Static Collateral Assets" to be not applicable, an amount in the Settlement Currency equal to the greater of zero and the sum of:
 - (i) the lesser of:
 - (A) an amount equal to the portion of the Marked-to-Market Option Value that relates to such Non-Waived W&C Instrument, determined in respect of the Option Valuation Time for the Collateral Test Date immediately preceding the delivery of a Collateral Enforcement Notice; and
 - (B) the difference between (I) the Adjusted MTM Collateral Enforcement Proceeds Share minus (II) such Non-Waived W&C Instrument's *pro rata* share of the Option Termination Costs; plus
 - (ii) the lesser of (A) the Notional Amount of such Non-Waived W&C Instrument and (B) the difference between (I) the Static Collateral Enforcement Proceeds Share minus (II) such Non-Waived W&C Instrument's *pro rata* share of the Static Collateral Hedge Termination Costs; or
- (b) if the applicable Final Terms specify "Physical Delivery of Static Collateral Assets" to be applicable, an amount in the Settlement Currency equal to the greater of zero and the lesser of:
 - (i) an amount equal to the portion of the Marked-to-Market Option Value that relates to such Non-Waived W&C Instrument, determined in respect of the Option Valuation Time for the Collateral Test Date immediately preceding the delivery of a Collateral Enforcement Notice; and
 - (ii) the difference between (A) the MTM Collateral Enforcement Proceeds Share minus (B) the sum of (I) such Non-Waived W&C Instrument's *pro rata* share of the Option Termination Costs, plus (II) such Non-Waived W&C Instrument's *pro rata* share of the Static Collateral Hedge Termination Costs.

6.2.2 For the purposes of these Secured W&C Instruments Conditions, the following definitions will apply:

"Adjusted MTM Collateral Enforcement Proceeds Share" means the sum of the MTM Collateral Enforcement Proceeds Share plus the Excess Static Collateral Enforcement Proceeds Share, as determined by the Secured W&C Instruments Valuation Agent.

"Collateral Enforcement Proceeds" means the sum of the MTM Collateral Enforcement Proceeds plus the Static Collateral Enforcement Proceeds (if any), as determined by the Secured W&C Instruments Valuation Agent.

"Collateral Enforcement Proceeds Share" means the sum of the MTM Collateral Enforcement Proceeds Share plus the Static Collateral Enforcement Proceeds Share (if any), as determined by the Secured W&C Instruments Valuation Agent, as determined by the Secured W&C Instruments Valuation Agent.

"Excess Static Collateral Enforcement Proceeds Share" means, in respect of a Non-Waived W&C Instrument, the greater of zero and the difference between (a) the Static Collateral Enforcement Proceeds Share minus (b) the sum of (i) the Notional Amount of such Non-Waived W&C Instrument plus (ii) such Non-Waived W&C Instrument's *pro rata* share of the Static Collateral Hedge Termination Costs, as determined by the Secured W&C Instruments Valuation Agent.

"MTM Collateral Enforcement Proceeds" means the net proceeds of realisation of, or enforcement with respect to, the relevant MTM Collateral Assets in a Collateral Pool following payment of all amounts payable to the Secured Parties ranking prior to the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms.

"MTM Collateral Enforcement Proceeds Share" means, in respect of a Series of Secured W&C Instruments, the *pro rata* share of the MTM Collateral Enforcement Proceeds attributable to each Non-Waived W&C Instrument in such Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent.

"Static Collateral Enforcement Proceeds" means the net proceeds of realisation of, or enforcement with respect to, the relevant Static Collateral Assets (excluding, if "Physical Delivery of Static Collateral Assets" is applicable, any Static Collateral Assets that are Deliverable in accordance with Secured W&C Instruments Condition 6.9) in a Collateral Pool following payment of all amounts (to the extent that the proceeds of realisation of the MTM Collateral Assets are insufficient to make payment of any such amounts) payable to the Secured Parties ranking prior to the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms.

"Static Collateral Enforcement Proceeds Share" means, in respect of a Series of Secured W&C Instruments, the *pro rata* share of the Static Collateral Enforcement Proceeds attributable to each Non-Waived W&C Instrument in such Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent.

6.3 Enforcement and Realisation

Following delivery of a Collateral Enforcement Notice in respect of the relevant Series of Secured W&C Instruments, the Security Agent (acting in accordance with an Acceleration Instruction) shall enforce the security constituted by the relevant Deed of Charge relating to the relevant Collateral Pool in accordance with the terms thereof and these Secured W&C Instruments Conditions (as completed by the applicable Final Terms) and the terms of the Security Agency Agreement and will give instructions to the Disposal Agent to effect a liquidation and realisation of the Collateral Assets in the Collateral Pool which secures such Series of Secured W&C Instruments in the following manner:

- (a) if "Physical Delivery of Static Collateral Assets" is specified not to apply in the applicable Final Terms, by liquidating or realising all Collateral Assets in the Collateral Pool which secures such Series of Secured W&C Instruments in accordance with Secured W&C Instruments Condition 6.7; or
- (b) if "Physical Delivery of Static Collateral Assets" is specified to be applicable in the applicable Final Terms:
 - (i) firstly, by liquidating or realising the MTM Collateral Assets in the Collateral Pool which secures such Series of Secured W&C Instruments in accordance with Secured W&C Instruments Condition 6.7;
 - (ii) secondly, to the extent the proceeds available following the liquidation and realisation of the MTM Collateral Assets in the Collateral Pool under sub-

paragraph (b)(i) above are insufficient to make payment of any amounts payable to the Secured Parties ranking prior to the Holders of the Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms, by liquidating or realising an amount of Static Collateral Assets sufficient to make the remainder of such payments in accordance with Secured W&C Instruments Condition 6.7 and such proceeds will not be distributed to Holders but will be distributed to the Secured Parties ranking prior to the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms; and

- (iii) thirdly, by liquidating or realising an amount of Static Collateral Assets sufficient to derive proceeds equal in value to any Hedge Termination Costs Shortfall in accordance with Secured W&C Instruments Condition 6.7 and such proceeds will not be distributed to Holders but will be distributed to the Secured Parties ranking after the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms,

the aggregate nominal amount of Static Collateral Assets remaining in the relevant Collateral Account following such liquidation or realisation in accordance with subparagraph (b)(ii) and (iii) above, the "**Remaining Static Collateral Assets**". The Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall notify the Secured W&C Instruments Valuation Agent of the Static Collateral Assets comprising the Remaining Static Collateral Assets.

6.4 Liability of the Security Agent

The Security Agency Agreement contains provisions setting out the standards of liability of the Security Agent including providing that:

- (a) in the event that any Secured Party directs the Security Agent to effect the liquidation and realisation of the Collateral Assets in the Collateral Pool which secures the relevant Series of Secured W&C Instruments in a manner that is in accordance with the exact provisions of the Acceleration Instruction, the Security Agent shall not be under any obligation to take any further action (without prejudice to its ability to instruct the Disposal Agent to liquidate and realise the Collateral Assets for the purpose of funding the Security Agent Amounts) if it reasonably believes that (i) it would not be able to recover the Security Agent Amounts that would be incurred in connection with such action from the relevant Collateral Assets or otherwise and/or (ii) it would experience an unreasonable delay in doing so; and
- (b) in the event that any Secured Party directs the Security Agent to effect the liquidation and realisation of the Collateral Assets in the Collateral Pool which secures the relevant Series of Secured W&C Instruments in a manner other than in accordance with the exact provisions of the Acceleration Instruction, the Security Agent shall not be under any obligation to take any action unless it has first been indemnified and/or secured and/or pre-funded to its satisfaction

and, in each case, the Security Agent shall have no liability for any such failure to act.

The Security Agent will not, in the absence of its own gross negligence, fraud and wilful misconduct, have any liability in connection with its role under or for the purposes of these Secured W&C Instruments Conditions and it will have no regard to the effect of such action on individual Holders. In no event shall the Security Agent be liable for any special, indirect or consequential loss or any punitive damages including (without limitation) any lost profits.

For the avoidance of doubt, the Security Agent shall be entitled to rely without enquiry on an Acceleration Instruction delivered by the Instrument Agent and on any notice of revocation of such Acceleration Instruction pursuant to Condition 6.4.2 and shall have no obligation to monitor or verify whether the relevant threshold has been met or to monitor or verify whether any Holder that has delivered an Acceleration Notice holds Waived W&C Instruments or Non-Waived W&C Instruments.

6.5 Enforcement and realisation by Holders

No Holder shall be entitled to enforce a Deed of Charge or to proceed directly against the Collateral Provider to enforce the other provisions of a Charged Document unless the Security Agent, having become bound to so enforce or proceed, fails so to do within a reasonable time and such failure is continuing or the Security Agent is prevented from enforcing a Deed of Charge by any court order. If a Holder becomes so entitled, then such Holder shall not be entitled to enforce the relevant Deed of Charge or Charged Document in the United Kingdom.

If the Security Agent becomes bound to enforce a Deed of Charge or a Charged Document and fails to do so within a reasonable time and such failure is continuing or the Security Agent is prevented from enforcing a Deed of Charge by any court order, then, without prejudice to the paragraph above, Holder(s) of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments outstanding may remove the Security Agent and appoint a replacement Security Agent in accordance with Secured W&C Instrument 3.7 and the terms of the Security Agency Agreement.

Neither the Issuer nor any Holder shall be entitled to enforce a Triparty Account Control Agreement or the Custodian Agreement or to proceed directly against the Collateral Agent or the Custodian to enforce the terms of the relevant Triparty Account Control Agreement or the Custodian Agreement (as applicable). Neither the Collateral Agent nor the Custodian shall have any liability to the Issuer or any Holder as to the consequence of any actions taken by the Collateral Agent or Custodian (as applicable).

6.6 Application and distribution of proceeds of enforcement

- 6.6.1 In connection with the enforcement of the security constituted by the relevant Deed of Charge, after the realisation and liquidation of the relevant Collateral Assets specified in Secured W&C Instruments Condition 6.3 in accordance with Secured W&C Instruments Condition 6.7, the Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall firstly use the proceeds of such realisation and liquidation of the MTM Collateral Assets to make payment of any amounts payable to the Secured Parties ranking prior to the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms. To the extent that the proceeds of the realisation and liquidation of the MTM Collateral Assets are insufficient to make payments of any amounts payable to the Secured Parties ranking prior to the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms, the Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall use the proceeds of any realisation and liquidation of the Static Collateral Assets to make payments of any such outstanding amounts.
- 6.6.2 Following such payments, the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall notify the Secured W&C Instruments Valuation Agent of the MTM Collateral Enforcement Proceeds and, where "Physical Delivery of Static Collateral Assets" is specified to be not applicable in the applicable Final Terms, the Static Collateral Enforcement Proceeds. The Secured W&C Instruments Valuation Agent shall then determine the Early Settlement Amount in respect of each Non-Waived W&C Instrument in accordance with Secured W&C Instruments Condition 6.2 and shall notify such amount to the Security Agent, the Disposal Agent and to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).
- 6.6.3 Subject as provided below, the Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall apply the remaining proceeds from the realisation of the relevant Collateral Assets in a Collateral Pool (excluding, if "Physical Delivery of Static Collateral Assets" is applicable, any Static Collateral Assets that are deliverable in accordance with Secured W&C Instruments Condition 6.9) in meeting the claims of Holders in respect of the Early Settlement Amount payable under each Non-Waived W&C Instrument which is secured by the relevant Collateral Pool. Notwithstanding the foregoing, the proceeds of any Static Collateral Assets realised or liquidated in accordance with Secured W&C Instruments Condition 6.3(b)(iii) will

not be distributed to Holders but will be distributed to the Secured Parties ranking after the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms.

If the Collateral Enforcement Proceeds Share for a particular Non-Waived W&C Instrument is greater than the Early Settlement Amount of such Non-Waived W&C Instrument, then such excess amount will not be distributed to such Holder but will be distributed to the Secured Parties ranking after the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms.

- 6.6.4 The Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall determine the date for distribution of the remaining proceeds to Holders in accordance with Secured W&C Instruments Condition 6.6.3 and shall notify such date to the relevant Instrument Agent and the relevant Instrument Agent shall notify Holders in accordance with W&C Instruments Condition 12 (*Notices*).
- 6.6.5 Moneys held by the Security Agent shall be deposited in its name in an account at such bank or other financial institution as the Security Agent may, acting in good faith and in a commercially reasonable manner, think fit. Any interest paid by such bank or financial institution on such moneys shall be deemed to be MTM Collateral Assets.
- 6.6.6 To the extent that any proceeds from the liquidation or realisation of the relevant Collateral Assets in a Collateral Pool are not in the Settlement Currency, then such proceeds shall be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), having regard to then current rates of exchange. Any rate, method and date so specified shall be binding on the Issuer, the Collateral Provider and the Holders.

6.7 **Method of realisation of Collateral Assets**

Subject as may otherwise be provided for in these Secured W&C Instruments Conditions, in effecting the sales, the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) may sell the relevant Collateral Assets in one single tranche or in smaller tranches as it considers appropriate in order to attempt reasonably to maximise the proceeds from such sale. The Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) may effect sales of the Collateral Assets (a) on any securities exchange or quotation service on which the Collateral Assets may be listed or quoted, (b) in the over-the-counter market or (c) in transactions otherwise than on such exchanges or in the over-the counter market.

Where the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) disposes of any Collateral Assets other than on any securities exchange or quotation service on which the Collateral Assets may be listed or quoted then:

- (a) the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall seek firm bid quotations from at least three independent dealers in assets similar in nature to the relevant Collateral Assets (and, for such purpose, it may seek quotations in respect of such Collateral Assets in their entirety or in respect of a designated part or proportion thereof, as it considers appropriate in order to maximise the proceeds of the sale of such Collateral Assets);
- (b) for the purposes of obtaining the quotations referred to in (a) above, the Security Agent or the Disposal Agent may itself provide a bid in respect of the relevant Collateral Assets or any part or proportion thereof; and
- (c) the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall be authorised to accept without liability to any party in respect of each relevant part or proportion of the Collateral Assets or, as applicable, the entirety of the relevant Collateral Assets the highest quotation so obtained (which may be a quotation from the Security Agent or the Disposal Agent (when providing such

quotations itself, the Security Agent or the Disposal Agent shall act in a commercially reasonable manner)).

Notwithstanding any other provision of these Secured W&C Instruments Conditions, following receipt by the Security Agent of notice of an Acceleration Event, the Security Agent shall be entitled in its sole discretion to instruct the Disposal Agent to liquidate, dispose or realise any of the Collateral Assets at any time and without regard to any of the provisions of the Secured W&C Instruments Conditions with respect to method, price or time of such realisation, in order to satisfy any Security Agent Amounts, and without liability to any party for any such action.

6.8 **Inability to realise Collateral Assets**

If the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) is unable to sell the relevant Collateral Assets on any securities exchange or quotation service on which the Collateral Assets may be listed or quoted or obtain the three quotations required for the sale of one or more Collateral Assets, in each case pursuant to Secured W&C Instruments Condition 6.6, for a period of one year from the date of the relevant Acceleration Instruction (such Collateral Assets being "**Non-Realised Collateral Assets**"), then notwithstanding any other provision hereof, the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall be entitled without liability to any party to sell such Non-Realised Collateral Assets by accepting the first available price for such Non-Realised Collateral Assets.

6.9 **Physical Delivery of Static Collateral Assets**

6.9.1 The Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) will notify the relevant Instrument Agent and the relevant Instrument Agent will notify Holders of the relevant Collateral Delivery Date in accordance with W&C Instruments Condition 12 (*Notices*) and:

- (a) the Secured W&C Instruments Valuation Agent shall aggregate the Unrounded Collateral Assets Entitlement in respect of all Non-Waived W&C Instruments of such Series held by each such Holder and will round down such aggregated Unrounded Collateral Assets Entitlement to the nearest tradable unit of each type of Static Collateral Asset (the "**Entitlement**" in respect of such Holder);
- (b) the Secured W&C Instruments Valuation Agent shall notify the Entitlement in respect of each Holder to the Security Agent and the Disposal Agent and to the Holders in accordance with W&C Instruments Condition 12 (*Notices*);
- (c) the Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall deliver the relevant Entitlement to the Holders of the Non-Waived W&C Instruments secured by the relevant Collateral Pool in accordance with the method of transfer of Collateral Assets specified in W&C Instruments Condition 24(C)(b) or 30(C)(b) (provided that no Expenses shall be payable), as applicable (and each reference in those W&C Instruments Conditions to "Issuer" shall be deemed to be a reference to "Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent)"); and
- (d) the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall realise and liquidate in accordance with Secured W&C Instruments Condition 6.7 the number or fraction of Collateral Assets which it is not possible to deliver to a Holder following rounding by the Secured W&C Instruments Valuation Agent in accordance with sub-paragraph (a) above as notified to the Security Agent and the Disposal Agent in accordance with sub-paragraph (b) above and shall notify the Secured W&C Instruments Valuation Agent of the amount of the proceeds of such realisation and liquidation. The Secured W&C Instruments Valuation Agent shall determine the *pro rata* share of the proceeds of such realisation and liquidation of each Holder whose Entitlement is subject to rounding (determined

by the Secured W&C Instruments Valuation Agent in respect of each Holder, on the basis of the difference between the aggregated Unrounded Collateral Assets Entitlement of such Holder minus the Entitlement of such Holder) (such amount, the "**Fractional Cash Amount**" in respect of such Holder) and shall notify the Fractional Cash Amount in respect of each Holder to the Security Agent and the Disposal Agent and to the Holders in accordance with W&C Instruments Condition 12 (*Notices*). The Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall pay the relevant Fractional Cash Amount to each Holder.

Delivery of such Entitlement and payment of such Fractional Cash Amount shall fully extinguish the Issuer's obligations in respect of the Notional Amount of the relevant Secured W&C Instruments notwithstanding that the value of the Entitlement so delivered and Fractional Cash Amount so paid may be less than the market value and/or nominal value of the relevant Secured W&C Instrument.

- 6.9.3 W&C Instruments Condition 5 shall not apply in respect of Secured W&C Instruments.
- 6.9.4 For the purposes of these Secured W&C Instruments Conditions, the following definitions will apply:

"Collateral Delivery Date" means, in relation to a Series of Secured W&C Instruments where "Physical Delivery of Static Collateral Assets" is applicable, the date on which the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) intends to deliver the Entitlement to Holders.

"Hedge Termination Costs Shortfall" means the greater of zero and an amount equal to the difference between (a) the sum of (i) the Option Termination Costs plus (ii) the Static Collateral Hedge Termination Costs, minus (b) the MTM Collateral Enforcement Proceeds, as determined by the Secured W&C Instruments Valuation Agent.

"Remaining Static Collateral Assets" has the meaning given in Secured W&C Instruments Condition 6.3(b).

"Unrounded Collateral Assets Entitlement" means, for each Non-Waived W&C Instrument in a Series of Secured W&C Instruments, Static Collateral Assets with an aggregate nominal amount equal to the quotient of (a) the Remaining Static Collateral Assets in respect of the Collateral Pool which secures such Series of Secured W&C Instruments, divided by (b) the number of Non-Waived W&C Instruments of such Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent.

6.10 **Physical Delivery of Collateral Assets Disruption Event**

- 6.10.1 If, in the opinion of the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), delivery of all or some of the Static Collateral Assets forming part of the Entitlement using the method of delivery specified in W&C Instruments Condition 24(C)(b) or 30(C)(b) (as applicable and as notified to the Disposal Agent by the Security Agent), or such other commercially reasonable manner as the Security Agent, or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), has determined, is not practicable by reason of a Physical Delivery of Collateral Assets Disruption Event having occurred and continuing on any Collateral Delivery Date, then such Collateral Delivery Date shall be postponed to the first following Collateral Business Day in respect of which there is no such Physical Delivery of Collateral Assets Disruption Event, provided that the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) may elect in its sole discretion and without liability to any party to deliver the Static Collateral Assets forming part of the Entitlement in such other commercially reasonable manner as it may select and in such event the Collateral Delivery Date shall be such day as the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) deems appropriate in connection with delivery of the Static Collateral Assets forming part of the Entitlement in such other commercially reasonable manner.

Where a Physical Delivery of Collateral Assets Disruption Event affects some but not all of the Static Collateral Assets forming part of the Entitlement due to be delivered to a Holder, the Collateral Delivery Date for those Static Collateral Assets forming part of the Entitlement which are able to be delivered will be the Collateral Delivery Date on which such Static Collateral Assets are delivered.

- 6.10.2 If delivery of any Static Collateral Assets forming part of the Entitlement is not possible due to the occurrence of a Physical Delivery of Collateral Assets Disruption Event for a period of greater than 20 Collateral Business Days, then in lieu of physical settlement and notwithstanding any other provision hereof, the Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall sell or realise the Undeliverable Collateral Assets in the manner set out in Secured W&C Instruments Condition 6.7 and deliver the proceeds thereof to Holders.
- 6.10.3 If the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) is unable to either sell the Undeliverable Collateral Assets on any securities exchange or quotation service on which the Undeliverable Collateral Assets may be listed or quoted or obtain the three quotations required for the sale of the Collateral Assets, in each case pursuant to Secured W&C Instruments Condition 6.7, the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall be entitled, without the Security Agent or the Disposal Agent incurring any liability to any party, to accept the first available price for such Undeliverable Collateral Assets.

The Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), shall give notice as soon as practicable to the relevant Instrument Agent and the relevant Instrument Agent will give notice as soon as practicable to Holders in accordance with W&C Instruments Condition 12 (*Notices*) that a Physical Delivery of Collateral Assets Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Non-Waived W&C Instruments in the event of any delay in the delivery of the Collateral Assets forming part of the Entitlement due to the occurrence of a Physical Delivery of Collateral Assets Disruption Event and no liability in respect thereof shall attach to the Issuer, the Collateral Provider, the Security Agent or the Disposal Agent.

6.11 **Replacement Secured W&C Instruments Valuation Agent**

If, following the delivery of a Collateral Enforcement Notice, the Secured W&C Instruments Valuation Agent fails to make the applicable calculations and determinations specified in this Secured W&C Instruments Condition 6, or fails to notify the Security Agent or the Disposal Agent of the results of such calculations and determinations, within a reasonable time and in any event within 20 Collateral Business Days of receipt of a written request from the Security Agent and/or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) that it make such calculations and determinations, then the Security Agent shall as soon as reasonably practicable appoint a replacement Secured W&C Instruments Valuation Agent (a "**Replacement Secured W&C Instruments Valuation Agent**") in accordance with Secured W&C Instruments Condition 3.7.

7. **Segregation of Collateral Pools and Limited Recourse and Non-Petition**

By acquiring and holding Secured W&C Instruments, Holders will be deemed to acknowledge and agree that the obligations of the Issuer to the Holders are limited in recourse to the Collateral Assets contained in the relevant Collateral Pool securing such Series of Secured W&C Instruments. If:

- (a) there are no relevant Collateral Assets in the relevant Collateral Pool remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the relevant Collateral Assets in the relevant Collateral Pool have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the relevant Deed of Charge, the Security Agency Agreement and these Secured W&C Instruments Conditions; and

- (c) there are insufficient amounts available from the relevant Collateral Assets in the relevant Collateral Pool to pay in full, in accordance with the provisions of the relevant Deed of Charge, the Security Agency Agreement and these Secured W&C Instruments Conditions, amounts outstanding under the Secured W&C Instruments (including payments of principal, premium (if any) and interest),

then the Holders of such Secured W&C Instruments shall have no further claim against the Issuer or the Collateral Provider in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Secured W&C Instruments). In particular, no Holder shall be entitled to have recourse to the Collateral Assets contained in a Collateral Pool other than the Collateral Pool which secures the Secured W&C Instruments held by such Holder. The Secured W&C Instruments are not guaranteed by the Guarantor or any other entity and therefore Holders will have no claim against the Guarantor or any other entity in respect of any such amounts owing to them which remain unpaid.

8. Collateral Disruption Events

8.1 Consequences of a Collateral Disruption Event

If a Collateral Disruption Event occurs or is continuing in respect of Static Collateral Assets securing a Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent, acting in good faith, the Issuer may, at its discretion, cancel the Secured W&C Instruments of such Series by giving notice to Holders in accordance with W&C Instruments Condition 12 (*Notices*). If the Issuer cancels the Secured W&C Instruments, then the Issuer shall:

- (a) pay an amount in the Settlement Currency equal to the Early Settlement Amount (CDE) to each Holder in respect of each Non-Waived W&C Instrument held by such Holder; and
- (b) if "Physical Delivery of Static Collateral Assets" is specified to be applicable in the applicable Final Terms, (i) Deliver the relevant Entitlement (CDE) to each Holder and (ii) pay the Fractional Cash Amount (CDE) to each relevant Holder, in each case, in accordance with Secured W&C Instruments Condition 8.4.

Payment will be made in such manner and on such date as shall be notified by the Issuer to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).

8.2 Definition of "Early Settlement Amount (CDE)"

For the purposes of this Secured W&C Instruments Condition 8, the Early Settlement Amount (CDE) payable in respect of each cancelled Non-Waived W&C Instrument shall be determined by the Secured W&C Instruments Valuation Agent in accordance with subparagraph (a) or (b) below (as applicable):

- (a) if the applicable Final Terms specify "Physical Delivery of Static Collateral Assets" not to be applicable, the Early Settlement Amount (CDE) shall be an amount equal to the greater of zero and the difference between:
 - (i) the sum of:
 - (A) an amount equal to the difference between (I) an amount equal to the portion of the Marked-to-Market Option Value in respect of the Option Valuation Time for the Collateral Disruption Event Determination Date that relates to such Non-Waived W&C Instrument, minus (II) an amount equal to such Non-Waived W&C Instrument's *pro rata* share of the Option Termination Costs; plus
 - (B) the lesser of (I) the Notional Amount of such Non-Waived W&C Instrument and (II) the difference between (aa) the Static Collateral Proceeds Share (CDE) minus (bb) such Non-Waived W&C

Instrument's *pro rata* share of the Static Collateral Hedge Termination Costs; minus

- (ii) an amount equal to such Non-Waived W&C Instrument's *pro rata* share of the Realisation Costs; or
- (b) if the applicable Final Terms specify "Physical Delivery of Static Collateral Assets" to be applicable, the Early Settlement Amount (CDE) shall be an amount equal to the greater of zero and the difference between:
 - (i) an amount equal to the portion of the Marked-to-Market Option Value in respect of the Option Valuation Time for the Collateral Disruption Event Determination Date that relates to such Non-Waived W&C Instrument; minus
 - (ii) the Collateral Disruption Event Costs.

8.3 Liquidation and realisation of Static Collateral Assets

8.3.1 Realisation of Static Collateral Assets

If the Issuer elects to cancel a Series of Secured W&C Instruments in accordance with Secured W&C Instruments Condition 8.1, the Collateral Provider shall deliver a Control Event Notice to the Collateral Agent and shall effect a liquidation and realisation in accordance with Secured W&C Instruments Condition 6.7 (and each reference therein to "Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent)" shall be deemed to be a reference to "Collateral Provider and/or its Affiliate") of:

- (a) if "Physical Delivery of Static Collateral Assets" is specified to apply in the applicable Final Terms, an amount of Static Collateral Assets sufficient to derive proceeds that are equal in value to the Collateral Disruption Event Costs Shortfall (if any) and such proceeds shall be retained by the Collateral Provider and shall not be payable to Holders (the aggregate nominal amount of Static Collateral Assets remaining in the relevant Collateral Pool following such liquidation or realisation in accordance with this sub-paragraph (a), the "**Remaining Static Collateral Assets (CDE)**"); or
- (c) if "Physical Delivery of Static Collateral Assets" is specified not to apply in the applicable Final Terms, all Static Collateral Assets in the Collateral Pool which secures a Series of Secured W&C Instruments.

Secured W&C Instruments Condition 6.8 shall apply to the realisation of Static Collateral Assets (if any) in accordance with this Secured W&C Instruments Condition 8.3 (and each reference therein to "Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent)" shall be deemed to be a reference to "Collateral Provider and/or its Affiliate").

To the extent that any proceeds from the realisation of the relevant Static Collateral Assets in a Collateral Pool are not in the Settlement Currency, then such proceeds shall be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Collateral Provider and/or its Affiliate, having regard to current rates of exchange. Any rate, method and date so specified shall be binding on the Issuer and the Holders.

8.3.2 Liability of the Collateral Provider

The Collateral Provider and/or its Affiliates will not, in the absence of negligence, fraud and wilful misconduct, have any liability as to the consequence of any liquidation or realisation action and will have no regard to the effect of such action on individual Holders.

8.4 Physical Settlement

- 8.4.1 Where "Physical Delivery of Static Collateral Assets" is specified in the applicable Final Terms, following cancellation of the relevant Series of Secured W&C Instruments in accordance with Secured W&C Instruments Condition 8.1, the Collateral Provider will determine the Entitlement (CDE) and any Fractional Cash Amount (CDE) in respect of each Holder of Non-Waived W&C Instruments and shall notify such amounts to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).
- 8.4.2 The Collateral Provider will notify Holders of the relevant Collateral Delivery Date and will:
- (a) aggregate the Unrounded Collateral Assets Entitlement (CDE) in respect of all Non-Waived W&C Instruments of such Series held by each such Holder and will round down such aggregated Unrounded Collateral Assets Entitlement (CDE) to the nearest tradable unit of such Static Collateral Asset (the "**Entitlement (CDE)**" in respect of such Holder);
 - (b) Deliver the Entitlement (CDE) to the Holders of the Secured W&C Instruments secured by the relevant Collateral Pool in accordance with the method of transfer of Collateral Assets specified in W&C Instruments Condition 24(C)(b) or 30(C)(b) (provided that no Expenses shall be payable) (and each reference in those W&C Instruments Conditions to "Issuer" shall be deemed to be a reference to "Collateral Provider"); and
 - (c) realise and liquidate the Static Collateral Assets which it is not possible to deliver to a Holder following such rounding in accordance with Secured W&C Instruments Condition 6.7 (and each reference therein to "Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent)" shall be deemed to be a reference to "Collateral Provider and/or its Affiliate") and pay a *pro rata* share of the proceeds of such realisation and liquidation to each Holder whose Entitlement (CDE) is subject to rounding (determined on the basis of the difference between the aggregate Unrounded Collateral Assets Entitlement (CDE) of such Holder minus the Entitlement (CDE) of such Holder) (such amount, the "**Fractional Cash Amount (CDE)**" in respect of such Holder).

Delivery of such Entitlement (CDE) and payment of such Fractional Cash Amount (CDE) shall fully extinguish the Issuer's obligations in respect of the Notional Amount of the relevant Secured W&C Instruments notwithstanding that the value of the Entitlement (CDE) so delivered and Fractional Cash Amount (CDE) so paid may be less than the market value and/or nominal value of the relevant Secured W&C Instrument.

- 8.4.3 Secured W&C Instruments Condition 6.10 shall apply to the Delivery of the Entitlement (CDE) in accordance with this Secured W&C Instruments Condition 8.4 (and each reference therein to "Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent)" shall be deemed to be a reference to "Collateral Provider and/or its Affiliate"). W&C Instruments Condition 5 shall not apply in respect of Secured W&C Instruments.

8.5 Additional Definitions

For the purposes of this Secured W&C Instruments Condition 8, the following definitions will apply:

"Collateral Asset Default" means, in respect of a Series of Secured W&C Instruments, any of the following occurs: (a) any of the Static Collateral Assets in the Collateral Pool which secures such Series of Secured W&C Instruments become due and payable on a date prior to their stated maturity date for any reason (including by reason of default in payment), (b) a failure by the issuer of the Static Collateral Assets to (i) pay on the due date any amount due and payable or (ii) perform any of its other obligations, in the case of both (i) and (ii), in respect of the Static Collateral Assets, or (c) any rescheduling, Restructuring, subordination, exchange or material amendment is announced by the issuer of the Static Collateral Assets or any governmental authority or occurs in respect of the Static Collateral Assets.

"Collateral Delivery Date" means, in relation to a Series of Secured W&C Instruments where "Physical Delivery of Static Collateral Assets" is applicable, the date on which the Collateral Provider or any agent acting on its behalf intends to Deliver the Entitlement (CDE) to Holders.

"Collateral Disruption Event" means either:

- (a) the Collateral Provider and/or any of its Affiliates considers, in its sole and absolute discretion that it:
 - (i) is unable, as a result of any legal, contractual or other restrictions or constraints (including, without limitation, any laws, regulations, court orders, other governmental or regulatory constraints), adverse market conditions or a lack of liquidity in the market or otherwise, after using commercially reasonable efforts to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to obtain Collateral Assets; or (B) freely realise, recover, remit, receive, re-patriate or transfer the proceeds of any such transactions(s) or assets(s) or futures or option contract(s) or any relevant hedge positions relating to the Collateral Assets; or
 - (ii) would incur a materially increased (as compared with circumstances existing on the date on which the issue of a Series of Secured W&C Instruments is first priced) amount of tax, duty, expense, fee (other than brokerage commissions) or other relevant cost (including, for the avoidance of doubt, any funding cost) to (A) acquire, borrow, substitute, or dispose of any Collateral Assets, (B) establish, re-establish, substitute, maintain, unwind or dispose of any transaction entered into by the Collateral Provider or any of its Affiliates in connection with the Collateral Assets or (C) realise, recover or remit the proceeds of any such Collateral Assets; or
- (b) the Issuer is unable, after using commercially reasonable efforts, to find a suitable substitute or replacement Collateral Arrangement Party or Security Agent following the termination of the relevant agreement or resignation or removal for any reason of a Collateral Arrangement Party or the Security Agent; or
- (c) the Collateral Provider considers, in its sole and absolute discretion, that a Collateral Settlement Disruption has occurred; or
- (d) a Collateral Asset Default has occurred or is continuing, as determined by the Secured W&C Instruments Valuation Agent.

"Collateral Disruption Event Costs" means, in respect of a Non-Waived W&C Instrument, the sum of (a) an amount equal to such Non-Waived W&C Instrument's *pro rata* share of the Realisation Costs, plus (b) an amount equal to such Non-Waived W&C Instrument's *pro rata* share of the Option Termination Costs, plus (c) an amount equal to such Non-Waived Instrument's *pro rata* share of the Static Collateral Hedge Termination Costs, as determined by the Secured W&C Instruments Valuation Agent.

"Collateral Disruption Event Costs Shortfall" means an amount equal to the greater of zero and the difference between (a) the aggregate of the Collateral Disruption Event Costs in respect of each Non-Waived W&C Instrument of the relevant Series of Secured W&C Instruments, minus (b) the aggregate of the portions of the Marked-to-Market Option Value in respect of the Collateral Disruption Event Determination Date that relates to each Non-Waived W&C Instrument in such Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent.

"Collateral Disruption Event Determination Date" means the date on which it is first determined that a Collateral Disruption Event in respect of which the Secured W&C Instruments Valuation Agent has elected to cancel the relevant Secured W&C Instruments in accordance with Secured W&C Instruments Condition 8.1 has occurred or is continuing. The Collateral Disruption Event Determination Date shall be deemed to be a Collateral Test Date

only for the purposes of determining the Marked-to-Market Option Value in respect of the Option Valuation Time for such Collateral Disruption Event Determination Date.

"Collateral Settlement Disruption" means any event (including, but not limited to, as a result of a failure or inability of the relevant clearing system to clear the relevant Eligible MTM Collateral Assets or Eligible Static Collateral Assets) beyond the control of the Collateral Provider and/or its Affiliates as a result of which Eligible MTM Collateral Assets or Eligible Static Collateral Assets have not been settled into the Custodian Account within the regular settlement period for such Eligible MTM Collateral Assets or Eligible Static Collateral Assets under normal market conditions.

"Realisation Costs" means all costs (expressed as a positive number) incurred by or payable by the Issuer, the Collateral Provider and/or any Affiliate in relation to the relevant Series of Secured W&C Instruments (which shall include any taxes required to be paid and any costs of realising the Collateral Assets (including the distribution of proceeds) and/or, where "Physical Delivery of Collateral Assets" is specified to be applicable, Delivery of the Entitlement (CED) to the Holders of the related Non-Waived W&C Instruments)), as determined by the Secured W&C Instruments Valuation Agent.

"Remaining Static Collateral Assets (CDE)" has the meaning given in Secured W&C Instruments Condition 8.3.1(a).

"Restructuring" means the occurrence of any one or more of the following events with respect to the Static Collateral Assets:

- (a) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (b) a postponement or other deferral of a date or dates for the payment of principal or premium;
- (c) a change in the ranking in priority of payment of the Static Collateral Assets causing the subordination of the Static Collateral Assets to any other obligation under which the issuer of the Static Collateral Assets is an obligor; or
- (d) any change in the currency or composition of any payment of principal under the Static Collateral Assets,

provided that, in the case of each of (a) to (d) above:

- (i) such event is not due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (ii) such event directly or indirectly results from a deterioration in the creditworthiness or financial condition of the issuer of the Static Collateral Assets.

"Static Collateral Proceeds (CDE)" means the gross proceeds of liquidation and realisation of the relevant Static Collateral Assets in accordance with Secured W&C Instruments Condition 8.3.1 (excluding, if "Physical Delivery of Static Collateral Assets" is applicable, any Static Collateral Assets that are Deliverable in accordance with Secured W&C Instruments Condition 8.4) in a Collateral Pool, as determined by the Secured W&C Instruments Valuation Agent.

"Static Collateral Proceeds Share (CDE)" means, in respect of a Series of Secured W&C Instruments, the *pro rata* share of the Static Collateral Proceeds (CDE) attributable to each Non-Waived W&C Instrument in such Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent.

"Unrounded Collateral Assets Entitlement (CDE)" means, for each Non-Waived W&C Instrument in a Series of Secured W&C Instruments where "Physical Delivery of Static Collateral Assets" is applicable, Static Collateral Assets with an aggregate nominal amount

equal to the quotient of (a) the Remaining Static Collateral Assets (CDE) in respect of the Collateral Pool which secures such Series of Secured W&C Instruments, divided by (b) the number of Non-Waived W&C Instruments of such Series of Secured W&C Instruments, as determined by the Secured W&C Instruments Valuation Agent.

9. **Release of Security**

The security constituted by the Relevant Deed of Charge will be released in relation to Collateral Assets that are withdrawn from the Collateral Account in accordance with Secured W&C Instruments Condition 4.4 or Secured W&C Instruments Condition 4.5 and in accordance with the provisions of the relevant Deed of Charge.

ANNEX 10

ADDITIONAL TERMS AND CONDITIONS FOR SECURED W&C INSTRUMENTS

1. **Interpretation**

If this Annex 10 is specified as applicable in the applicable Final Terms, the terms and conditions applicable to Secured W&C Instruments shall comprise the terms and conditions of the W&C Instruments (the "**W&C Instruments Conditions**"), the Additional Terms and Conditions for Secured W&C Instruments set out below (the "**Secured W&C Instruments Conditions**") and the applicable Product Conditions, in each case, subject to completion in the applicable Final Terms. For the avoidance of doubt, where this Annex 10 applies, the terms of Annex 9 shall not apply to the Secured W&C Instruments.

2. **Definitions**

For the purposes of these Secured W&C Instruments Conditions:

"Acceleration Event" has the meaning given to it in Secured W&C Instruments Condition 4.8.1.

"Acceleration Instruction" has the meaning given to it in Secured W&C Instruments Condition 4.8.2.

"Acceleration Notice" means a notice substantially in the form of Schedule 24 of the Agency Agreement delivered by a Holder of any Non-Waived W&C Instrument to the relevant Instrument Agent:

- (a) specifying that a Secured W&C Instrument Event of Default has occurred and is continuing in respect of such Non-Waived W&C Instrument;
- (b) instructing the Security Agent to deliver the notices specified in Secured W&C Instruments Condition 6.1;
- (c) instructing the Security Agent to enforce the security constituted by the relevant Deed of Charge and distribute the proceeds (and, if applicable, physically settle the Entitlement), in each case, in accordance with these Secured W&C Instruments Conditions and the terms of the relevant Deed of Charge and the Security Agency Agreement;
- (d) instructing the Security Agent to appoint a Disposal Agent, if a Disposal Agent has not already been appointed, and provide instructions to the Disposal Agent in accordance with these Secured W&C Instruments Conditions; and
- (e) instructing the Security Agent to perform any further actions of the Security Agent specified in these Secured W&C Instruments Conditions, the relevant Deed of Charge and the Security Agency Agreement or any reasonably incidental actions,

provided that the Security Agent shall not be bound by any such instruction until it receives an Acceleration Instruction in accordance with Secured W&C Instruments Condition 4.8.2.

Any Acceleration Notice shall be in writing and delivered to the Issuer and the relevant Instrument Agent and shall include such details as are necessary to establish and verify the Non-Waived W&C Instruments held by the Holder delivering such notice.

"Affiliate" has the meaning given to it in W&C Instruments Condition 4.

"Cash" means the money and currency of any jurisdiction which the Collateral Agent accepts for deposit in a Collateral Account.

"Charged Documents" means each of the Collateral Provider Agreement, the Valuation Agency Agreement and the relevant Triparty Account Control Agreement.

"Collateral Account" has the meaning given to it in Secured W&C Instruments Condition 4.1.

"Collateral Agent" means The Bank of New York Mellon, London Branch (or any substitute or replacement entity appointed in respect thereof pursuant to the terms of the relevant Triparty Account Control Agreement), and, if applicable, any sub-agent of, or any other entity appointed by the Collateral Agent.

"Collateral Agent Notice" means a notice (which may be given in any form agreed between the Collateral Agent and the Collateral Provider, including but not limited to, electronic message, exchange of electronic files or by telephone) from the Collateral Agent to the Collateral Provider providing details of why the Collateral Agent considers that the Collateral Test is not satisfied in respect of a Collateral Test Date or that the Collateral Test will not be satisfied (or will no longer be satisfied) after taking into account any adjustments specified in a Collateral Test Notice.

"Collateral Assets" means, in respect of a Series of Secured W&C Instruments, Eligible Collateral Assets that are Delivered into and held in the Collateral Account relating to such Series of Secured W&C Instruments.

"Collateral Assets Table" means the table specified as such in the applicable Final Terms.

"Collateral Arrangement Party" means the Collateral Provider, the Collateral Agent, the Custodian and the Secured W&C Instruments Valuation Agent.

"Collateral Business Day" means a day:

- (a) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
- (b) the offices of the Collateral Agent in London are open for business.

"Collateral Disruption Event" means either:

- (a) the Collateral Provider and/or any of its Affiliates considers, in its sole and absolute discretion that it:
 - (i) is unable, as a result of any legal, contractual or other restrictions or constraints (including, without limitation, any laws, regulations, court orders, other governmental or regulatory constraints), adverse market conditions or a lack of liquidity in the market or otherwise, after using commercially reasonable efforts to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to obtain Collateral Assets; or (B) freely realise, recover, remit, receive, re-patriate or transfer the proceeds of any such transactions(s) or assets(s) or futures or option contract(s) or any relevant hedge positions relating to the Collateral Assets; or
 - (ii) would incur a materially increased (as compared with circumstances existing on the date on which the issue of a Series of Secured W&C Instruments is first priced) amount of tax, duty, expense, fee (other than brokerage commissions) or other relevant cost (including, for the avoidance of doubt, any funding cost) to (A) acquire, borrow, substitute, or dispose of any Collateral Assets, (B) establish, re-establish, substitute, maintain, unwind or dispose of any transaction entered into by the Collateral Provider or any of its Affiliates in connection with the Collateral Assets or (C) realise, recover or remit the proceeds of any such Collateral Assets; or
- (b) the Issuer is unable, after using commercially reasonable efforts, to find a suitable substitute or replacement Collateral Arrangement Party following the termination of

the relevant agreement or resignation or removal for any reason of a Collateral Arrangement Party; or

- (c) the Collateral Provider considers, in its sole and absolute discretion, that a Collateral Settlement Disruption has occurred.

"Collateral Enforcement Notice" means a notice in writing from the Security Agent (acting in accordance with an Acceleration Instruction) to the Issuer, the Collateral Provider and the relevant Instrument Agent in or substantially in the form annexed to the relevant Deed of Charge:

- (a) specifying that a Series of Secured W&C Instruments are immediately due and repayable at their Early Settlement Amount (and, where "Physical Delivery of Collateral Assets" is specified to be applicable in the applicable Final Terms, that such Secured W&C Instruments will be subject to settlement in accordance with Secured W&C Instruments Condition 6.8); and
- (b) enforcing the security constituted by the relevant Deed of Charge in accordance with the terms thereof and the terms of these Secured W&C Instruments Conditions and the Security Agency Agreement.

"Collateralisation Percentage" means the percentage level specified as such in the applicable Final Terms. The applicable Final Terms may specify a different Collateralisation Percentage in respect of different Collateral Test Dates.

"Collateral Enforcement Proceeds" means the net proceeds of realisation of, or enforcement with respect to, the relevant Collateral Assets in a Collateral Pool and the security constituted by the relevant Deed of Charge following payment of all amounts payable to the Secured Parties ranking prior to the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms.

"Collateral Enforcement Proceeds Share" means, in respect of a Series of Secured W&C Instruments, the *pro rata* share of the Collateral Enforcement Proceeds attributable to each Non-Waived W&C Instrument in such Series of Secured W&C Instruments.

"Collateral Pool" means, in respect of a Series of Secured W&C Instruments, a pool of Collateral Assets held in a Collateral Account and over which a fixed charge is granted pursuant to the relevant Deed of Charge.

"Collateral Provider" means Merrill Lynch International (or any substitute or replacement entity appointed in respect thereof pursuant to the terms of the Collateral Provider Agreement and/or these Secured W&C Instruments Conditions) and, if applicable, any sub-agent of, or any other entity appointed by the Collateral Provider.

"Collateral Provider Agreement" means the agreement between, *inter alia*, Merrill Lynch International as Collateral Provider and the Issuer as amended, restated and/or supplemented from time to time.

"Collateral Settlement Disruption" means any event (including, but not limited to, as a result of a failure or inability of the relevant clearing system to clear the relevant Eligible Collateral Assets) beyond the control of the Collateral Provider and/or its Affiliates as a result of which Eligible Collateral Assets have not been settled into the Custodian Account within the regular settlement period for such Eligible Collateral Assets under normal market conditions.

"Collateral Test" means, in respect of a Collateral Pool and a Collateral Test Date (and the Collateral Test will be satisfied if), a determination by the Collateral Agent as to whether the Collateral Value in respect of such Collateral Test Date is greater than or equal to the Required Collateral Value in respect of such Collateral Test Date. When determining whether the Collateral Test is satisfied, Collateral Assets for which instructions for the transfer to the relevant Collateral Account have been provided on or before such Collateral Test Date will be included for the purposes of such determination and Collateral Assets for which instructions

for the removal from the relevant Collateral Account have been provided on or before such Collateral Test Date will be excluded for the purposes of such determination.

"Collateral Test Date" means, in respect of a Collateral Pool, the Issue Date of the relevant Series of Secured W&C Instruments which are secured by such Collateral Pool and each Collateral Business Day falling in the period from, but excluding, the Issue Date of such Secured W&C Instruments and ending on, and including, the final Valuation Date, Observation Date or Averaging Date (as applicable) of such Secured W&C Instruments.

"Collateral Test Notice" means a notice sent or caused to be sent by the Collateral Provider to the Collateral Agent in relation to a particular Collateral Pool specifying the Required Collateral Value for such Collateral Pool in respect of the relevant Collateral Test Date (and such notice may (but is not required to) include specific adjustments to be made to the Collateral Pool (including *inter alia* the type and quantity of any Collateral Assets to be deposited and/or removed)).

"Collateral Transaction Documents" means the Collateral Provider Agreement, the Custodian Agreement to the extent to which it relates to the Collateral Accounts, the Valuation Agency Agreement, the Security Agency Agreement and each relevant Deed of Charge and Triparty Account Control Agreement.

"Collateral Valuation Currency" means the currency specified as such in the applicable Final Terms.

"Collateral Valuation Time" means on or around the opening of the relevant Collateral Business Day or such other time as the Collateral Agent determines the Collateral Value on the relevant Collateral Test Date.

"Collateral Value" means, in respect of a Collateral Pool and a Collateral Test Date, an amount expressed in the Collateral Valuation Currency equal to the sum of the Margin Value of each Eligible Collateral Asset in such Collateral Pool on such Collateral Test Date, as determined by the Collateral Agent.

If "Collateral Valuation at Nominal Value" is specified to be applicable in the applicable Final Terms, the Collateral Value shall be deemed to be equal to an amount expressed in the Collateral Valuation Currency equal to the aggregate nominal amount of the Collateral Assets constituting Eligible Collateral Assets held in a Collateral Pool on such Collateral Test Date, as determined by the Collateral Agent. Where the relevant currency or denomination of an Eligible Collateral Asset is other than the Collateral Valuation Currency, the Collateral Agent shall convert the nominal amount of such Collateral Asset at the relevant spot rate or spot rates in accordance with such method and as at such time as the Collateral Agent may select in its discretion, having regard to then current rates of exchange.

"Custodian" means The Bank of New York Mellon, London Branch (or any substitute or replacement entity appointed in respect thereof pursuant to the terms of the Custodian Agreement) and, if applicable, any sub-custodian of, or any other entity appointed by the Custodian.

"Custodian Agreement" means the agreement between, *inter alia*, The Bank of New York Mellon, London Branch as Custodian and the Collateral Provider as amended, restated and/or supplemented from time to time.

"Deed of Charge" means a deed of charge governed by English law between the Collateral Provider and the Security Agent under which:

- (a) the Collateral Provider charges by way of first fixed charge its rights and title in the Collateral Assets contained in one or more Collateral Accounts in favour of the Security Agent on behalf of itself and the other Secured Parties in accordance with the Security Agency Agreement; and
- (b) the Collateral Provider assigns by way of security its rights, title and interest in the Collateral Accounts (including, without limitation, any contractual rights, interests or

claims relating to such Collateral Accounts) and the Charged Documents in favour of the Security Agent on behalf of itself and the other Secured Parties in accordance with the Security Agency Agreement.

"Deliver" means to deliver, novate, transfer, assign or sell, as appropriate, in a manner customary for the settlement of the applicable Collateral Asset (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Collateral Asset free and clear of any and all liens, charges, claims or encumbrances. **"Delivery"** and **"Delivered"** will be construed accordingly.

"Disposal Agent" means any agent appointed by the Security Agent to realise, dispose of and, if applicable, physically settle Collateral Assets held in a Collateral Account securing the relevant Series of Secured W&C Instruments (or any substitute or replacement entity appointed in respect thereof) following the delivery of a Collateral Enforcement Notice and, if applicable, any sub-agent of, or any other entity appointed by the Disposal Agent.

"Early Settlement Amount" means, in respect of a Secured W&C Instrument, an amount in the Settlement Currency equal to the greater of zero and the fair market value of such Secured W&C Instrument, less the costs to the Issuer and/or its Affiliates or agents of unwinding any underlying related hedging arrangements (including any costs of funding in respect of such hedging arrangements) in respect of such Secured W&C Instrument, each as determined by the Secured W&C Instruments Valuation Agent in its sole and absolute discretion.

"Eligibility Criteria" means, in relation to a Series of Secured W&C Instruments and an Eligible Collateral Class, each of the following criteria that is specified to be applicable in the row of the Collateral Assets Table set out in the applicable Final Terms corresponding to such Eligible Collateral Class (as the case may be):

- (a) the Collateral Asset is a debt security ("**Debt Security**") or an equity security ("**Equity Security**");
- (b) the Collateral Asset has the ISIN specified in the applicable Final Terms (each a "**Relevant ISIN**");
- (c) the issuer in respect of the relevant Collateral Asset operates in any of the Industry Sectors specified in the applicable Final Terms;
- (d) the issuer in respect of that Collateral Asset is the entity, sovereign or supranational entity specified in the applicable Final Terms or is of the type of entity, sovereign or supranational specified in the applicable Final Terms (each a "**Relevant Issuer**");
- (e) the issuer in respect of that Collateral Asset is incorporated in any of the jurisdictions specified in the applicable Final Terms (each, a "**Jurisdiction of Incorporation**");
- (f) the issuer in respect of the relevant Collateral Asset has, at the date specified in the applicable Final Terms, such credit ratings as are specified in the applicable Final Terms (the "**Relevant Rating**");
- (g) the aggregate amount outstanding in respect of the asset comprising the Collateral Asset is an amount not less than any minimum amount specified in the applicable Final Terms (the "**Minimum Outstanding Amount**") and an amount not greater than any maximum amount specified in the applicable Final Terms (the "**Maximum Outstanding Amount**");
- (h) the currency in which the relevant Collateral Asset is denominated is one of the currencies specified in the applicable Final Terms (the "**Relevant Currency**");
- (i) the relevant Collateral Asset is eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**ECB Eligible**");

- (j) the relevant Collateral Asset has such ranking(s) ("**Collateral Asset Ranking(s)**") relevant to the debt obligations of the obligor in respect of the relevant Collateral Asset as are specified in the applicable Final Terms;
- (k) the relevant Collateral Asset is listed on one of the exchanges ("**Listed**") specified in the applicable Final Terms or, if "Any Exchange" is specified in the applicable Final Terms, the Collateral Asset is listed on any exchange;
- (l) the time remaining to maturity of the relevant Collateral Asset is, at the relevant date, not less than the minimum time to maturity specified in the applicable Final Terms (the "**Minimum Time to Maturity**") and/or not greater than the maximum time to maturity specified in the applicable Final Terms (the "**Maximum Time to Maturity**");
- (m) when taken together with the other Collateral Assets of the applicable Eligible Collateral Class held in the relevant Collateral Account, the relevant Collateral Asset would not breach the concentration limit (expressed as a percentage specified in the row of the Collateral Assets Table set out in the applicable Final Terms corresponding to such Eligible Collateral Class (the "**Concentration Limit**");
- (n) the issuer in respect of the relevant Collateral Asset is not a United States person (as determined for U.S. federal income tax purposes) and no payment with respect to, or in connection with, the Collateral Asset is treated as a United States source payment (as determined for U.S. federal income tax purposes) or could become a United States source payment as a result of Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended; and
- (o) the issuer in respect of such Collateral Asset is not incorporated in the United Kingdom and no payment with respect to, or in connection with, the Collateral Asset has a United Kingdom source.

If any such Eligibility Criteria are not specified in the row of the Collateral Assets Table set out in the applicable Final Terms corresponding to such Eligible Collateral Class, such criteria shall be deemed not to apply in respect of such Eligible Collateral Class, except for criteria (n) and (o) which shall apply to each Eligible Collateral Class even if not specified in the row of the Collateral Assets Table set out in the applicable Final Terms corresponding to such Eligible Collateral Class.

Notwithstanding the Eligibility Criteria specified to be applicable in the applicable Final Terms in respect of a Series of Secured W&C Instruments, the Collateral Agent shall be obliged to refer only to the terms of the relevant Triparty Account Control Agreement in determining whether the MTM Collateral Assets comply with the eligibility criteria set out in the relevant Triparty Account Control Agreement.

Notwithstanding the foregoing, if "Only Initial Collateral Assets are Eligible" is specified to be applicable in the applicable Final Terms, the only Collateral Assets that will be deemed to meet the Eligibility Criteria of each Eligible Collateral Class will be those which are of the same type as the Collateral Assets Delivered into the Collateral Account on the Issue Date.

"**Eligible Collateral Assets**" means Cash and assets which satisfy all of the Eligibility Criteria applicable to an Eligible Collateral Class. Assets which satisfy all of the Eligibility Criteria that are specified to be applicable to an Eligible Collateral Class will be Eligible Collateral Assets notwithstanding that such assets do not satisfy the Eligibility Criteria applicable to another Eligible Collateral Class.

"**Eligible Collateral Class**" means the Eligibility Criteria that are specified to be applicable in a row of the Collateral Asset Table set out in the applicable Final Terms and which together define a class or type of Eligible Collateral Assets.

"**Extraordinary Security Agent Liabilities**" means Liabilities incurred by the Security Agent and, where applicable, the Disposal Agent, in the event that the Security Agent determines, acting reasonably, that it is necessary or is requested by the Issuer, the Collateral Provider or

any Secured Party to undertake duties which are of an exceptional nature or otherwise outside the scope of the duties of the Security Agent and, where applicable, the Disposal Agent, under the Security Agency Agreement, the Deed of Charge and the Secured W&C Instruments Conditions.

"Industry Sector" means, in respect of an entity, any of the following industries in which that entity operates: aerospace and defense; automobile; banking; beverage, food and tobacco; buildings and real estate; chemicals, plastics and rubber; containers, packaging and glass; personal and non durable consumer products (manufacturing only); diversified/conglomerate manufacturing; diversified/conglomerate service; diversified natural resources, precious metals; ecological; electronics; finance; farming and agriculture; grocery; healthcare, education and childcare; home and office furnishings, housewares and durable consumer products; hotels, motels, inns and gaming; insurance; leisure, amusement, entertainment; machinery (non-agriculture, non-construction, non-electronic); mining, steel, iron and non precious metals; oil and gas; personal, food and miscellaneous; printing and publishing; cargo transport; retail stores; telecommunications; textiles and leather; personal transportation; utilities; broadcasting and entertainment; sovereign and supranational.

"Liability" means, for the purposes of these Secured W&C Instruments Conditions, any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis (and **"Liabilities"** shall be construed accordingly).

"Margin Percentage" means, in respect of a Collateral Asset, the percentage amount specified in the row of the Collateral Assets Table set out in the applicable Final Terms corresponding to the Eligible Collateral Class of such Collateral Asset contained in a Collateral Pool. For the avoidance of doubt, the applicable Final Terms shall specify one Margin Percentage value per Eligible Collateral Class.

"Margin Value" means, in respect of an Eligible Collateral Asset in a Collateral Pool on a Collateral Test Date, an amount equal to the quotient of (a) the Market Value of such Eligible Collateral Asset for such Collateral Test Date, divided by (b) the Margin Percentage applicable to such Eligible Collateral Asset, as determined by the Collateral Agent.

"Market Value" means, in respect of a Collateral Test Date and an Eligible Collateral Asset in a Collateral Pool that is:

- (a) a security, an amount expressed in the Collateral Valuation Currency calculated by the Collateral Agent in its sole discretion as the sum of:
 - (i) the market value of such Eligible Collateral Asset in respect of such Collateral Test Date as determined by the Collateral Agent in its sole and absolute discretion based on the most recently available closing bid price (traded or quoted excluding accrued interest in respect of an Eligible Collateral Asset that is a fixed income debt security) for such Eligible Collateral Asset made available to the Collateral Agent as at the Collateral Valuation Time on such Collateral Test Date. The closing bid price used for these purposes will usually be the closing bid price in respect of the trading day for such Eligible Collateral Asset immediately preceding such Collateral Test Date displayed as of the Collateral Valuation Time on pricing information services used generally by the Collateral Agent for pricing such Eligible Collateral Assets, provided that if the Collateral Agent is unable to obtain the closing bid price of such Eligible Collateral Asset from such pricing information services as of the Collateral Valuation Time on such Collateral Test Date, then the market value shall be determined in good faith by the Collateral Agent in the reasonable exercise of its discretion based on information furnished to the Collateral Agent by one or more brokers in such Eligible Collateral Asset or on the basis of a formula utilised by the Collateral Agent for such purpose in the ordinary course of its business; plus

- (ii) in respect of an Eligible Collateral Asset that is a fixed income debt security, accrued but unpaid distributions (if any) on such Eligible Collateral Asset; or
- (b) Cash, an amount expressed in the Collateral Valuation Currency equal to its nominal or face amount,

in each case, where the relevant currency or denomination of an Eligible Collateral Asset is other than the Collateral Valuation Currency, the Collateral Agent shall convert the value of such Collateral Asset at the relevant spot rate or spot rates in accordance with such method and as at such time as the Collateral Agent may select in its discretion, having regard to then current rates of exchange.

"Non-Waived W&C Instruments" means, in relation to a Series of Secured W&C Instruments and any relevant date, those Secured W&C Instruments which are not Waived W&C Instruments on such date.

"Notice of Exclusive Control" means a notice in writing given in accordance with (and in or substantially in the form annexed to) the relevant Triparty Account Control Agreement from the Security Agent (acting in accordance with an Acceleration Instruction) to the Collateral Agent specifying that the Collateral Agent act solely upon the instructions of the Security Agent with respect to the relevant Collateral Account and instructing the Collateral Agent to deliver the Collateral Assets held in such Collateral Account to the Security Agent.

"Notional Amount" has the meaning given to it in W&C Instruments Condition 4.

"Order of Priority" means the order specified in the applicable Final Terms following which the Security Agent shall apply moneys received following enforcement of the relevant Deed of Charge and the Charged Documents in accordance with Secured W&C Instruments Condition 6 below. The Order of Priority may be the Standard Order of Priority (as defined below) or any alternative order of item (c), (d) and (e) below, as specified in the applicable Final Terms (provided that items (a) and (b) shall always be the first and second items in the Order of Priority).

- (a) in from time to time setting aside Security Agent Amounts which the Security Agent will apply in settlement of Security Agent Liabilities and from which the Security Agent may apply in settlement of Extraordinary Security Agent Liabilities;
- (b) on a *pro rata* and *pari passu* basis, in payment or satisfaction of all Liabilities incurred by or payable by the Issuer and/or the Collateral Provider, in relation to the relevant Secured W&C Instruments, to the Security Agent and, where applicable, the Disposal Agent (which shall include any taxes required to be paid, the costs of realising any security (including the distribution of enforcement proceeds and/or, where "Physical Delivery of Collateral Assets" is applicable, Delivery of the Entitlement to the Holders of the related Secured W&C Instruments) and the remuneration of the Security Agent and, where applicable, the Disposal Agent); such amounts together the **"Security Agent Liabilities"**;
- (c) in payment of any amounts due to be paid or reimbursed to the Collateral Agent by the Collateral Provider;
- (d) in payment of any amounts due to Holders of Non-Waived W&C Instruments in accordance with Secured W&C Instruments Condition 6 below;
- (e) *pro rata* in payment of any amounts owed to the creditors (if any) whose claims have arisen as a result of the creation, operation or liquidation of the Collateral Assets (save to the extent that the claims of any such creditor fall within paragraphs (a) to (d) above); and
- (f) payment of the balance (if any) to the Collateral Provider,

and the **"Standard Order of Priority"** means that the Order of Priority shall follow the order (a), (b), (c), (d), (e), (f) specified above.

"Physical Delivery of Collateral Assets Disruption Event" means any event beyond the control of the Issuer, the Collateral Provider, the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), as applicable, as a result of which the Physical Delivery Clearing System cannot Deliver some or all of the Entitlement required to be delivered pursuant to the terms of these Secured W&C Instruments Conditions.

"Physical Delivery Clearing System" has the meaning given to it in W&C Instruments Condition 24(C)(b) or 29(A) (as applicable).

"Required Collateral Default" means, following receipt by the Collateral Provider of a Collateral Agent Notice which indicates that the Collateral Test is not satisfied (or will not be satisfied after taking into account any adjustments specified in a Collateral Test Notice), the Collateral Provider fails to instruct the Collateral Agent to transfer sufficient additional Eligible Collateral Assets into the Collateral Account to satisfy the Collateral Test and/or Deliver the additional necessary Collateral Assets and such failure results in the Collateral Test not being satisfied for one Collateral Business Day following the delivery of such Collateral Agent Notice (when determining whether the Collateral Test has been so satisfied, only Collateral Assets which have actually been transferred to the relevant Collateral Account shall be taken into account).

"Required Collateral Default Notice" means a notice (which may be given in any form agreed between the Collateral Agent and the Collateral Provider, including but not limited to, electronic message, exchange of electronic files or by telephone) given in accordance with the relevant Triparty Account Control Agreement by the Collateral Agent to the Collateral Provider and the Security Agent, specifying that a Required Collateral Default has occurred.

"Required Collateral Value" means, in respect of a Collateral Pool and a Collateral Test Date:

- (a) if "MV Collateralisation" is specified as the "Type of Collateralisation" in the applicable Final Terms, the product of (i) the Collateralisation Percentage, multiplied by (ii) the Secured W&C Instrument Market Value in respect of the Secured W&C Instrument Valuation Time for such Collateral Test Date of the relevant Series of Secured W&C Instruments, multiplied by (iii) the number of outstanding Non-Waived W&C Instruments of such Series of Secured W&C Instruments;
- (b) if "NV Collateralisation" is specified as the "Type of Collateralisation" in the applicable Final Terms, the product of (i) the Collateralisation Percentage, multiplied by (ii) the sum of the Notional Amount of each outstanding Non-Waived W&C Instrument of such Series of Secured W&C Instruments;
- (c) if "Min (MV, NV) Collateralisation" is specified as the "Type of Collateralisation" in the applicable Final Terms, the lower of:
 - (i) the product of (A) the Collateralisation Percentage, multiplied by (B) the Secured W&C Instrument Market Value in respect of the Secured W&C Instrument Valuation Time for such Collateral Test Date of the relevant Series of Secured W&C Instruments, multiplied by (C) the number of outstanding Non-Waived W&C Instruments of such Series of Secured W&C Instruments; and
 - (ii) the product of (A) the Collateralisation Percentage, multiplied by (B) the sum of the Notional Amount of each outstanding Non-Waived W&C Instrument of such Series of Secured W&C Instruments; or
- (d) if "Max (MV, NV) Collateralisation" is specified as the "Type of Collateralisation" in the applicable Final Terms, the greater of:
 - (i) the product of (A) the Collateralisation Percentage, multiplied by (B) the Secured W&C Instrument Market Value in respect of the Secured W&C Instrument Valuation Time for such Collateral Test Date of the relevant Series of Secured W&C Instruments, multiplied by (C) the number of

outstanding Non-Waived W&C Instruments of such Series of Secured W&C Instruments; and

- (ii) the product of (A) the Collateralisation Percentage, multiplied by (B) the sum of the Notional Amount of each outstanding Non-Waived W&C Instrument of such Series of Secured W&C Instruments.

"Secured Parties" means the parties referred to in sub-paragraphs (a) to (f) (inclusive) of the definition of Order of Priority (each, a **"Secured Party"**).

"Secured W&C Instrument Event of Default" has the meaning given in Secured W&C Instruments Condition 4.8.

"Secured W&C Instrument Market Value" means, in respect of a Series of Secured W&C Instruments in relation to which "MV Collateralisation", "Min (MV, NV) Collateralisation" or "Max (MV, NV) Collateralisation" is applicable and a Collateral Test Date, the amount determined by the Secured W&C Instruments Valuation Agent as the market value applicable to each Non-Waived W&C Instrument of such Series of Secured W&C Instruments as of the Secured W&C Instrument Valuation Time for such Collateral Test Date, which shall be calculated on the basis of such valuation method as the Secured W&C Instruments Valuation Agent may, acting in good faith and in a commercially reasonable manner and in accordance with the terms of the Valuation Agency Agreement, determine in its sole and absolute discretion.

"Secured W&C Instruments Valuation Agent" means Merrill Lynch International (or any substitute or replacement entity (including any Replacement Secured W&C Instruments Valuation Agent) appointed in respect thereof pursuant to the terms of the Valuation Agency Agreement and/or these Secured W&C Instruments Conditions) and, if applicable, any sub-agent of, or any other entity appointed by the Secured W&C Instruments Valuation Agent.

"Secured W&C Instrument Valuation Date" means, in respect of a Collateral Test Date, the Collateral Business Day immediately preceding such Collateral Test Date, or, if a valuation of the relevant Secured W&C Instrument is not available on such date, the date of the last available valuation of such Secured W&C Instrument.

"Secured W&C Instrument Valuation Time" means, in respect of a Collateral Test Date, the close of trading in the relevant markets on the Secured W&C Instrument Valuation Date for such Collateral Test Date, as determined by the Secured W&C Instruments Valuation Agent in its sole and absolute discretion.

"Security Agent" means The Bank of New York Mellon (or any substitute or replacement entity appointed in respect thereof pursuant to the terms of the relevant Security Agency Agreement and/or these Secured W&C Instruments Conditions).

"Security Agency Agreement" means the Security Agency Agreement governed by New York law between the Security Agent, the Collateral Provider and the Issuer as amended, restated and/or supplemented from time to time.

"Security Agent Amounts" means such amounts as the Security Agent from time to time determines, acting reasonably, that it shall require in order to satisfy any Extraordinary Security Agent Liabilities, having regard to any amounts received pursuant to Clause 2.6(d) (*Exculpatory Provisions*) of the Security Agency Agreement.

"Triparty Account Control Agreement" means the agreement to be entered into between the Collateral Agent, the Collateral Provider and the Security Agent on each Issue Date specified in the applicable Final Terms for a Series of Secured W&C Instruments, as amended, restated and/or supplemented from time to time.

"Undeliverable Collateral Assets" means Collateral Assets which the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) is unable to deliver in accordance with Secured W&C Instruments Condition 6.8 due to the occurrence of a Physical Delivery of Collateral Assets Disruption Event.

"Valuation Agency Agreement" means the agreement between, *inter alia*, the Secured W&C Instruments Valuation Agent and the Issuer as amended, restated and/or supplemented from time to time.

"Waived W&C Instrument" means all Secured W&C Instruments held by the Issuer or its Affiliates, including but not limited to, in its capacity as market maker (if applicable), and, in respect of each such Secured W&C Instrument, the Issuer or its Affiliates shall be deemed to have waived its rights (a) to receive the proceeds of realisation of the Collateral Assets securing such Series of Secured W&C Instruments (or where "Physical Delivery of Collateral Assets" is specified as applicable in the applicable Final Terms, delivery of the Collateral Assets) following the enforcement of the relevant Deed of Charge and Charged Documents and (b) to give an Acceleration Notice on the occurrence of a Secured W&C Instrument Event of Default.

3. General

3.1 Issuer of Secured W&C Instruments

MLICo may issue Secured W&C Instruments. MLBV shall not issue Secured W&C Instruments. References herein to "Issuer" shall be to MLICo.

The Secured W&C Instruments will not be guaranteed by any entity. Each reference in the W&C Instruments Conditions and any applicable Product Conditions to "Guarantor" and "Guarantee" shall be deemed to be deleted.

3.2 Security Agent

In relation to each Series of Secured W&C Instruments, The Bank of New York Mellon shall be appointed as Security Agent and shall undertake the duties of Security Agent in respect of the Secured W&C Instruments as set out below and in the applicable Final Terms, the relevant Deed of Charge and in the Security Agency Agreement. Each party to the Security Agency Agreement has irrevocably and unconditionally waived, and each Secured Party is deemed to have irrevocably and unconditionally waived, any and all right to trial by jury in any action, suit or counterclaim arising in connection with the Security Agency Agreement. The expression "Security Agent" shall, in relation to the relevant Secured W&C Instruments, include any substitute or replacement entity appointed as Security Agent in respect thereof pursuant to the terms of the relevant Security Agency Agreement.

In relation to each Series of Secured W&C Instruments, the Security Agent will enter into a Deed of Charge. Under the terms of the relevant Deed of Charge:

- (a) the Collateral Provider will covenant to the Security Agent for itself, the Holders of the Non-Waived W&C Instruments and the other relevant Secured Parties under the Security Agency Agreement that it will duly and punctually pay or discharge the Issuer's obligations in respect of the Series of Secured W&C Instruments to which the Deed of Charge relates and under the Charged Documents, the relevant Deed of Charge and the Security Agency Agreement (the **"Secured Obligations"**), provided that the covenant of the Collateral Provider to pay the Secured Obligations shall be limited to an amount equal to the proceeds of enforcement of the Collateral Assets; the Collateral Provider's covenant shall be satisfied only from those proceeds and the Security Agent shall have no remedy against the Collateral Provider in relation to such covenant other than the enforcement of the security granted by the Deed of Charge; and
- (b) the Security Agent will hold the rights granted to it under the relevant Deed of Charge for itself, the Holders of the Non-Waived W&C Instruments and the other relevant Secured Parties under the Security Agency Agreement.

In performing its role under the Programme, the Security Agent does not act as an advisor to or fiduciary or trustee for the Holders of the Secured W&C Instruments or any other party and nothing in any of the documents relating to the Programme shall be interpreted to constitute

the Security Agent as a trustee or fiduciary of the Issuer, the Collateral Provider, the Holders or any other party.

3.3 **Collateral Provider**

Merrill Lynch International shall undertake the duties of Collateral Provider in respect of each Series of Secured W&C Instruments as set out in these Secured W&C Instruments Conditions and in the applicable Final Terms and as further provided for in the Collateral Provider Agreement. The expression "Collateral Provider" shall, in relation to the relevant Secured W&C Instruments, include any substitute or replacement entity appointed as Collateral Provider in respect thereof pursuant to the terms of the relevant Collateral Provider Agreement.

3.4 **Collateral Agent**

The Bank of New York Mellon, London Branch shall undertake the duties of Collateral Agent in respect of each Series of Secured W&C Instruments as set out in the relevant Triparty Account Control Agreement in respect of the relevant Series of Secured W&C Instruments. The expression "Collateral Agent" shall, in relation to the relevant Secured W&C Instruments, include any substitute or replacement entity appointed as Collateral Agent in respect thereof pursuant to the terms of the relevant Triparty Account Control Agreement.

3.5 **Custodian**

The Bank of New York Mellon, London Branch shall undertake the duties of Custodian to the Collateral Provider in respect of each Series of Secured W&C Instruments under the terms of the Custodian Agreement to the extent to which those terms relate to the Collateral Assets. The Custodian Agreement provides for the establishment of cash accounts and securities accounts in the name of the Collateral Provider. The Collateral Provider shall instruct the Custodian to open a segregated Collateral Account in respect of each Series of Secured W&C Instruments and the relevant Collateral Account shall be operated by the Collateral Agent in accordance with the terms of the relevant Triparty Account Control Agreement. The expression "Custodian" shall include any substitute or replacement entity appointed as Custodian in respect thereof pursuant to the terms of the Custodian Agreement.

3.6 **Secured W&C Instruments Valuation Agent**

Merrill Lynch International shall undertake the duties of Secured W&C Instruments Valuation Agent in respect of the Secured W&C Instruments as set out in these Secured W&C Instruments Conditions and in the applicable Final Terms and as further provided for in the Valuation Agency Agreement. The expression "Secured W&C Instruments Valuation Agent" shall, in relation to the relevant Secured W&C Instruments, include any substitute or replacement entity (including any Replacement Secured W&C Instruments Valuation Agent) appointed as Secured W&C Instruments Valuation Agent in respect thereof pursuant to the terms of the Valuation Agency Agreement.

3.7 **Termination and Replacement**

Each of the Collateral Transaction Documents contain, or will contain, provisions for the termination of such agreement and, as the case may be, the removal or replacement of the role of the relevant Collateral Arrangement Party appointed thereunder. Any such termination, removal and/or replacement will be effected in accordance with the provisions of such agreements and (other than in respect of the Custodian or the Collateral Agent) these Secured W&C Instruments Conditions and may be effected without the consent of Holders, provided that, in respect of the appointment of a replacement Secured W&C Instruments Valuation Agent in accordance with Secured W&C Instrument Condition 6.11 and the Security Agency Agreement, the Security Agent shall not be required to consider the provisions regarding the appointment of a replacement Secured W&C Instruments Valuation Agent contained in the Valuation Agency Agreement. No such termination or removal shall be effective until a replacement entity has been appointed. The Secured W&C Instruments Valuation Agent shall be required to give notice to Holders of any such termination, removal and/or replacement in accordance with W&C Instruments Condition 12 (*Notices*). Any reference to a Collateral

Arrangement Party in these Secured W&C Instruments Conditions shall be deemed to include a reference to any entity appointed as a replacement thereof.

A replacement Collateral Arrangement Party may only be appointed when the following conditions are fulfilled: the replacement Collateral Arrangement Party (other than the replacement Custodian or Collateral Agent): (i) is an institution incorporated and in good standing in the United States of America or one of the States thereof or in a state which is, as at the date of the relevant Collateral Transaction Document, a member state of the European Union; (ii) has the requisite resources and legal capacity to perform the duties imposed upon the relevant existing Collateral Arrangement Party under the relevant Collateral Transaction Document and is a recognised provider of the services provided by such Collateral Arrangement Party; (iii) is legally qualified and has the capacity to act as successor to the relevant Collateral Arrangement Party on the terms of the relevant Collateral Transaction Document; and (iv) whose performance of its duties under the relevant Collateral Transaction Document will not cause the Issuer and/or Collateral Provider to become subject to tax in any jurisdiction where such successor is incorporated, established, doing business, has a permanent establishment or is otherwise considered tax resident.

The Security Agency Agreement contains, or will contain, provisions for the termination of such agreement and the removal or replacement of the Security Agent appointed thereunder. Any such termination, removal and/or replacement will be effected in accordance with the provisions of the Security Agency Agreement and may be effected without the consent of Holders. No such termination or removal shall be effective until a replacement Security Agent has been appointed.

3.8 Notices

Where any provision of these Secured W&C Instruments Conditions require one party to deliver a notice to another party, such notice may be delivered in any form agreed between the parties thereto, including but not limited to, by post, electronic message, fax, exchange of electronic files, SWIFT messages, messages through the relevant clearing system or by telephone (provided that any notice given by telephone must, as soon as reasonably practicable, be confirmed in writing between the parties to such telephone conversation and failure to obtain such confirmation shall not invalidate such notice).

4. Security

4.1 Security

The obligations of the Issuer in respect of the Secured W&C Instruments will be secured by a Deed of Charge pursuant to which:

- (a) the Collateral Provider charges by way of first fixed charge its rights and title in the Collateral Assets contained in one or more Collateral Accounts. The security interest granted shall be over all of the Collateral Provider's rights in and to the Collateral Assets Delivered into and held from time to time in the relevant segregated account established with the Custodian pursuant to and in accordance with the applicable terms of the relevant Triparty Account Control Agreement and the Custodian Agreement for such purpose (the "**Collateral Account**"), excluding any interest or distributions paid on such Collateral Assets to the extent such amounts are not held in the relevant Collateral Account; and
- (b) the Collateral Provider assigns by way of security its rights, title and interest in the Collateral Accounts (including, without limitation, any contractual interests or claims relating to such Collateral Accounts) and the Charged Documents,

in favour of the Security Agent to hold for itself and on behalf of the relevant Holders and the other relevant Secured Parties under the Security Agency Agreement.

Following the delivery of a Collateral Enforcement Notice, any interest or distributions paid in respect of the Collateral Assets held in the Collateral Account will be credited to the Collateral Account and will be subject to the fixed charge set forth in paragraph (a) above.

4.2 **Collateral Pools**

Each Series of Secured W&C Instruments will be secured by a separate Collateral Pool comprising Collateral Assets held in a segregated Collateral Account.

4.3 **Initial Collateral Assets**

On the Issue Date of a Series of Secured W&C Instruments, the Collateral Provider shall deposit Collateral Assets in the relevant Collateral Account such that the Collateral Test will be satisfied on the Collateral Test Date falling on such Issue Date.

4.4 **Adjustments to Collateral Assets**

On the Secured W&C Instrument Valuation Date for each Collateral Test Date, the Secured W&C Instruments Valuation Agent will determine the Required Collateral Value and will send a Collateral Test Notice to the Collateral Agent prior to 4.30 p.m. London time on such Collateral Test Date, or such other time as may be agreed between the Collateral Provider and the Collateral Agent from time to time. On the Secured W&C Instrument Valuation Date for each Collateral Test Date, the Secured W&C Instruments Valuation Agent will notify the relevant Instrument Agent, with a copy to the Security Agent, of the aggregate number of outstanding Non-Waived W&C Instruments as of such date.

On each Collateral Test Date, the Collateral Agent will calculate the Collateral Value and verify that the Collateral Test is satisfied. When determining whether the Collateral Test is satisfied on a Collateral Test Date, Collateral Assets for which instructions for the transfer to the relevant Collateral Account have been provided on or before such Collateral Test Date will be included for the purposes of such determination provided that sufficient Eligible Collateral Assets are held in the Custodian Account and Collateral Assets for which instructions for the removal from the relevant Collateral Account have been provided on or before such Collateral Test Date will be excluded for the purposes of such determination.

In determining whether the Collateral Test is satisfied, the Collateral Agent will verify that the relevant Collateral Assets comply with the eligibility criteria specified in the collateral schedule of the relevant Triparty Account Control Agreement. The Collateral Provider shall be solely responsible for ensuring that the Eligibility Criteria specified in the applicable Final Terms is substantively identical to the eligibility criteria specified in the collateral schedule of the Triparty Account Control Agreement and the Collateral Agent shall not be liable to the Holders or any party for any discrepancy therein.

If on the relevant Collateral Test Date the Collateral Agent determines that the Collateral Test is not satisfied, the Collateral Agent will promptly send the Collateral Provider a Collateral Agent Notice. On the date such Collateral Agent Notice is given, the Collateral Provider will instruct the Collateral Agent to transfer sufficient additional Eligible Collateral Assets into the relevant Collateral Account to satisfy the Collateral Test.

The Collateral Provider will ensure that sufficient Eligible Collateral Assets are Delivered into the relevant Collateral Account on or before each Collateral Test Date to satisfy the Collateral Test in respect of such Collateral Test Date for the relevant Series of Secured W&C Instruments.

4.5 **Substitution or withdrawal of Collateral Assets**

The Collateral Provider may, subject to the terms of the relevant Triparty Account Control Agreement, withdraw and/or replace Collateral Assets from the relevant Collateral Account provided that following such adjustment the Collateral Test continues to be satisfied. The Collateral Provider will send or cause to be sent a notice to the Collateral Agent specifying the

adjustments to be made to the Collateral Pool (including *inter alia* the type and quantity of any Collateral Assets to be deposited and/or removed).

4.6 **Delegation to Collateral Provider**

The Issuer has, pursuant to the terms of the Collateral Provider Agreement, delegated to the Collateral Provider the role of managing each Collateral Pool to comply with the requirements of these Secured W&C Instruments Conditions (including, but not limited to, compliance with Secured W&C Instruments Conditions 4.3, 4.4 and 4.5).

4.7 **Required Collateral Default**

Following the occurrence of a Required Collateral Default, the Collateral Agent shall send a Required Collateral Default Notice to the Collateral Provider and the Security Agent, specifying that a Required Collateral Default has occurred. The Collateral Provider shall notify the Issuer of the Required Collateral Default Notice. The Security Agent shall as soon as reasonably practicable after receiving a Required Collateral Default Notice give notice to the relevant Instrument Agent and the relevant Instrument Agent will as soon as reasonably practicable give notice in accordance with W&C Instruments Condition 12 (*Notices*) to all relevant Holders of the receipt of a Required Collateral Default Notice.

4.8 **Secured W&C Instrument Event of Default**

4.8.1 The occurrence of one or more of the following events shall constitute a "**Secured W&C Instrument Event of Default**" with respect to any Series of Secured W&C Instruments:

- (a) default shall be made in the payment of any Additional Amount due in respect of any such Non-Waived W&C Instruments and the default continues for a period of 30 calendar days after the due date; or
- (b) default shall be made in the payment of any Cash Settlement Amount or other termination amount of any such Non-Waived W&C Instruments or in the delivery when due of the Entitlement in respect of any such Non-Waived W&C Instruments (in each case whether at settlement or upon redemption or otherwise), and such default continues for a period of 30 calendar days after the due date; or
- (c) the Issuer shall fail to perform or observe any other term, covenant or agreement contained in the Terms and Conditions applicable to any of such Secured W&C Instruments or in the Agency Agreement for the period of 90 calendar days after the date on which written notice of such failure, requiring the Issuer, as the case may be, to remedy the same, first shall have been given to the relevant Instrument Agent (which will give notice to the Security Agent) and the Issuer by Holders of at least 33 per cent. of the aggregate Notional Amount or by number (as applicable) of any such Non-Waived W&C Instruments outstanding; or
- (d) a court having jurisdiction in the premises shall have entered a decree or order granting relief with respect to the Issuer in an involuntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, trustee, assignee, custodian or sequestrator (or similar official) of the Issuer or of all or substantially all of its property or for the winding up or liquidation of its affairs, and such decree or order shall have remained in force and unstayed for a period of 60 consecutive calendar days; or
- (e) the Issuer shall institute proceedings for relief under any applicable bankruptcy, insolvency or any other similar law now or hereafter in effect, or shall consent to the institution of any such proceedings against it, or shall consent to the appointment of a receiver, liquidator, trustee, assignee, custodian or sequestrator (or similar official) of it or of all or substantially all of its property, or shall make an assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or
- (f) a Required Collateral Default has occurred; or

- (g) any of (i) a failure by the Issuer and/or Collateral Provider to comply with or perform any undertaking or obligation to be complied with or performed by it in accordance with the Security Agency Agreement or the relevant Deed of Charge if such failure is continuing after any applicable grace period has elapsed, the expiration or termination of such Security Agency Agreement or Deed of Charge, or (ii) the failing or cessation of such Security Agency Agreement or Deed of Charge, or any security granted by the Issuer and/or Collateral Provider, to be in full force and effect prior to the satisfaction of all the obligations of such party under these Secured W&C Instruments Conditions or (iii) the Issuer and/or Collateral Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Security Agency Agreement or Deed of Charge (or such action is taken by any person or entity appointed or empowered to act on the Issuer's and/or Collateral Provider's behalf).

If a Secured W&C Instrument Event of Default shall occur and be continuing with respect to any Series of Secured W&C Instruments, then any Holder may, at its option, send an Acceleration Notice through the relevant Clearing System to the relevant Instrument Agent. If the Holder(s) of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments outstanding send Acceleration Notice(s) through the relevant Clearing System to the relevant Instrument Agent, and if any such default is not waived in accordance with Secured W&C Instruments Condition 4.8.4 below or cured by the Issuer prior to receipt by the relevant Instrument Agent of the latest of such Acceleration Notice(s) required to exceed the 33 per cent. threshold specified above, an "**Acceleration Event**" shall occur in respect of such Series of Secured W&C Instruments.

- 4.8.2 The relevant Instrument Agent will as soon as reasonably practicable after the occurrence of an Acceleration Event send a notice (in or substantially in the form set out at Schedule 24 of the Agency Agreement) (an "**Acceleration Instruction**") to the Security Agent confirming that the Holder(s) of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of the Non-Waived W&C Instruments outstanding have delivered Acceleration Notices thereby instructing the Security Agent to:

- (a) deliver the notices specified in Secured W&C Instruments Condition 6.1;
- (b) enforce the security constituted by the relevant Deed of Charge and distribute the proceeds (and, if applicable, physically settle the Entitlement), in each case, in accordance with its terms and the provisions of these Secured W&C Instruments Conditions and the Security Agency Agreement;
- (c) appoint a Disposal Agent, if a Disposal Agent has not already been appointed, and provide instructions to the Disposal Agent in accordance with these Secured W&C Instruments Conditions; and
- (d) perform any further actions of the Security Agent specified in these Secured W&C Instruments, the relevant Deed of Charge and the Security Agency Agreement or any reasonable incidental actions,

provided that if, at any time before the Security Agent has taken any steps to enforce the security constituted by the related Security Agency Agreement and/or Deed of Charge or a judgment or decree for payment of the money due with respect to such Secured W&C Instruments has been obtained by any Holder, the Security Agent is notified in writing by the relevant Instrument Agent that the occurrence of an Acceleration Event and its consequences have been rescinded and annulled in accordance with Secured W&C Instruments Condition 4.8.3 below, then such Acceleration Instruction shall be deemed not to have been given and the Security Agent shall be entitled to rely on any such notification from the relevant Instrument Agent without further enquiry and shall incur no liability to the Holders or any other party for any action taken or not taken prior to or as a result of such notification.

- 4.8.3 At any time following the occurrence of an Acceleration Event and (i) before the Security Agent has taken any steps to enforce the security constituted by the related Security Agency Agreement and/or Deed of Charge or (ii) a judgment or decree for payment of the money due with respect to such Secured W&C Instruments has been obtained by any Holder, the

occurrence of an Acceleration Event and its consequences may be rescinded and annulled upon the written consent of Holders of a majority in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments then outstanding, or by resolution adopted by a majority in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments outstanding present or represented at a meeting of Holders at which a quorum is present, as provided in the Agency Agreement, if:

- (a) (i) the Issuer has paid, or has deposited with the relevant Clearing System, a sum sufficient to pay:
 - (A) all overdue Additional Amounts on such Secured W&C Instruments;
 - (B) the Cash Settlement Amount or other termination amount of such Secured W&C Instruments which has become due otherwise than by such declaration of acceleration; or
- (ii) in the case of Secured W&C Instruments to be settled by physical delivery, the Issuer has delivered the relevant assets to any agent appointed by the Issuer to deliver such assets to the Holders of the Non-Waived W&C Instruments; and
- (b) all Secured W&C Instrument Events of Default with respect to such Secured W&C Instruments, other than the non-payment of the Cash Settlement Amount or other termination amount of such Secured W&C Instruments which has become due solely by such declaration of acceleration, have been cured or waived as provided in Secured W&C Instruments Condition 4.8.4 below.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

- 4.8.4 Any default by the Issuer and/or Collateral Provider, other than the events described in Secured W&C Instruments Condition 4.8.1(a) or Secured W&C Instruments Condition 4.8.1(b), and other than an event described in Secured W&C Instruments Condition 4.8.1(c) in respect of a covenant or provision of the Terms and Conditions which cannot be amended or modified without the passing of an Extraordinary Resolution of Holders, may be waived by the written consent of Holders of a majority in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments then outstanding affected thereby, or by resolution adopted by a majority in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments then outstanding present or represented at a meeting of Holders affected thereby at which a quorum is present, as provided in the Agency Agreement. Upon any such waiver, such default shall cease to exist, and any Secured W&C Instrument Event of Default arising therefrom shall be deemed to have been cured, for every purpose of the Agency Agreement, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

4.9 Status

W&C Instruments Condition 2 (*Status of the W&C Securities and Guarantee*) shall not apply to the Secured W&C Instruments. The Secured W&C Instruments constitute direct, limited recourse, unsubordinated and secured obligations of the Issuer and rank equally among themselves.

Notwithstanding W&C Instruments Condition 2 (*Status of the W&C Securities and Guarantee*), the obligations of the Guarantor under the Guarantee shall not apply to Secured W&C Instruments. **The Secured W&C Instruments are not guaranteed by the Guarantor or any other entity.**

5. Collateral Provider, Collateral Agent, Custodian, Security Agent, Secured W&C Instruments Valuation Agent and relevant Instrument Agent

In relation to each Series of Secured W&C Instruments, the Secured W&C Instruments Valuation Agent acts solely as an agent of the Issuer, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. In relation to each issue of Secured W&C Instruments, the Collateral Agent acts solely as an agent of the Collateral

Provider, and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders or the Issuer.

The Collateral Provider acts as an arms-length third party and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. For the avoidance of doubt, the Custodian does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders, the Issuer or the Security Agent.

In acting in connection with any Series of Secured W&C Instruments, the Security Agent does not act as an advisor to or fiduciary or trustee for the Holders or any other party and nothing in any of the documents relating to the Programme shall be interpreted to constitute the Security Agent as a trustee or fiduciary of the Issuer, the Collateral Provider, the Holders or any other party and will not assume any obligation or duty to, or any relationship of agency or trust for or with, any of the Holders of such Secured W&C Instruments.

All calculations and determinations made in respect of the Secured W&C Instruments by the Collateral Provider, Collateral Agent and Secured W&C Instruments Valuation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Holders and the Security Agent (as applicable).

Each of the Collateral Provider and Secured W&C Instruments Valuation Agent may, with the consent of the Issuer, delegate any of their obligations and functions to a third party as provided for in the Collateral Provider Agreement, Valuation Agency Agreement and each Triparty Account Control Agreement, as applicable. The Collateral Agent may delegate any of its obligations and functions to a third party as provided for in the relevant Triparty Account Control Agreement.

In acting in connection with any Series of Secured W&C Instruments, the relevant Instrument Agent shall act solely as an agent of the Issuer and will not assume any obligations towards or relationship of agency or trust for or with any of the Holders of such Secured W&C Instruments.

6. Default, Enforcement and Realisation

6.1 Acceleration and Enforcement of Collateral

If the Security Agent receives an Acceleration Instruction, the Security Agent shall (acting in accordance with such Acceleration Instruction), as soon as reasonably practicable:

- (i) deliver a Collateral Enforcement Notice (in or substantially in the form annexed to the relevant Deed of Charge) in respect of such Series of Secured W&C Instruments to each of the Issuer, the Collateral Provider and the relevant Instrument Agent;
- (ii) deliver a Notice of Exclusive Control (in or substantially in the form annexed to the relevant Triparty Account Control Agreement) in respect of the Collateral Account of such Series of Secured W&C Instruments to the Collateral Agent;
- (iii) give notice to the relevant Instrument Agent of the occurrence of an Acceleration Event and the delivery of such Collateral Enforcement Notice and Notice of Exclusive Control and the relevant Instrument Agent will give notice of the same in accordance with W&C Instruments Condition 12 (*Notices*) to all relevant Holders; and
- (iv) appoint a Disposal Agent, if a Disposal Agent has not already been appointed, and provide instructions to the Disposal Agent in accordance with the Secured W&C Instruments Conditions.

Upon delivery of the Collateral Enforcement Notice, all Secured W&C Instruments in respect of which the Collateral Enforcement Notice is served will become immediately due and repayable at their Early Settlement Amount and, where "Physical Delivery of Collateral Assets" is specified to be applicable in the applicable Final Terms, such Secured W&C Instruments will also be subject to settlement in accordance with Secured W&C Instruments Condition 6.8.

As soon as reasonably practicable following the delivery of a Collateral Enforcement Notice, the Issuer shall, and shall procure that its Affiliates that hold Waived W&C Instruments, of the Series of Secured W&C Instruments in respect of which the Collateral Enforcement Notice is served, submit such Waived W&C Instruments for cancellation free of payment and, following such cancellation, the Secured W&C Instruments Valuation Agent shall notify the Security Agent of the number of outstanding Non-Waived W&C Instruments of such Series.

6.2 **Enforcement and Realisation**

Following delivery of a Collateral Enforcement Notice in respect of the relevant Series of Secured W&C Instruments, the Security Agent (acting in accordance with an Acceleration Instruction) shall enforce the security constituted by the relevant Deed of Charge relating to the relevant Collateral Pool in accordance with the terms thereof, these Secured W&C Instruments Conditions (as completed by the applicable Final Terms) and the terms of the Security Agency Agreement and will give instructions to the Disposal Agent to:

- (a) where "Physical Delivery of Collateral Assets" is specified not to apply in the applicable Final Terms, effect a liquidation and realisation in accordance with Secured W&C Instruments Condition 6.6 of all the Collateral Assets in the Collateral Pool which secures such Series of Secured W&C Instruments and subsequently distribute the relevant Collateral Enforcement Proceeds Share to the relevant Holders in accordance with Secured W&C Instruments Condition 6.5; or
- (b) where "Physical Delivery of Collateral Assets" is specified to be applicable in the applicable Final Terms, arrange for delivery of the relevant Entitlement to the relevant Holders in accordance with Secured W&C Instruments Condition 6.8.

6.3 **Liability of the Security Agent**

The Security Agency Agreement contains provisions setting out the standards of liability of the Security Agent including providing that:

- (a) in the event that any Secured Party directs the Security Agent to effect the liquidation and realisation of the Collateral Assets in the Collateral Pool which secures the relevant Series of Secured W&C Instruments in a manner that is in accordance with the exact provisions of the Acceleration Instruction, the Security Agent shall not be under any obligation to take any further action (without prejudice to its ability to instruct the Disposal Agent to liquidate and realise the Collateral Assets for the purpose of funding the Security Agent Amounts) if it reasonably believes that (i) it would not be able to recover the Security Agent Amounts that would be incurred in connection with such action from the relevant Collateral Assets or otherwise and/or (ii) it would experience an unreasonable delay in doing so; and
- (b) in the event that any Secured Party directs the Security Agent to effect the liquidation and realisation of the Collateral Assets in the Collateral Pool which secures the relevant Series of Secured W&C Instruments in a manner other than in accordance with the exact provisions of the Acceleration Instruction, the Security Agent shall not be under any obligation to take any action unless it has first been indemnified and/or secured and/or pre-funded to its satisfaction

and in, each case, the Security Agent shall have no liability for any such failure to act.

The Security Agent will not, in the absence of its own gross negligence, fraud and wilful misconduct, have any liability in connection with its role under or for the purposes of these Secured W&C Instruments Conditions and it will have no regard to the effect of such action on individual Holders. In no event shall the Security Agent be liable for any special, indirect or consequential loss or any punitive damages including (without limitation) any lost profits.

For the avoidance of doubt, the Security Agent shall be entitled to rely without enquiry on an Acceleration Instruction delivered by the Instrument Agent and on any notice of revocation of such Acceleration Instruction pursuant to Condition 4.8.2 and shall have no obligation to monitor or verify whether the relevant threshold has been met or to monitor or verify whether any Holder that has delivered an Acceleration Notice holds Waived W&C Instruments or Non-Waived W&C Instruments.

6.4 Enforcement and realisation by Holders

No Holder shall be entitled to enforce a Deed of Charge or to proceed directly against the Collateral Provider to enforce the other provisions of a Charged Document unless the Security Agent, having become bound to so enforce or proceed, fails so to do within a reasonable time and such failure is continuing or the Security Agent is prevented from enforcing a Deed of Charge by any court order. If a Holder becomes so entitled, then such Holder shall not be entitled to enforce the relevant Deed of Charge or Charged Document in the United Kingdom.

If the Security Agent becomes bound to enforce a Deed of Charge or a Charged Document and fails to do so within a reasonable time and such failure is continuing or the Security Agent is prevented from enforcing a Deed of Charge by any court order, then, without prejudice to the paragraph above, Holder(s) of at least 33 per cent. in aggregate Notional Amount or by number (as applicable) of such Non-Waived W&C Instruments outstanding may remove the Security Agent and appoint a replacement Security Agent in accordance with Secured W&C Instruments Condition 3.7 and the terms of the Security Agency Agreement.

Neither the Issuer nor any Holder shall be entitled to enforce a Triparty Account Control Agreement or the Custodian Agreement or to proceed directly against the Collateral Agent or the Custodian to enforce the terms of the relevant Triparty Account Control Agreement or the Custodian Agreement (as applicable). Neither the Collateral Agent nor the Custodian shall have any liability to the Issuer or any Holder as to the consequence of any actions taken by the Collateral Agent or Custodian (as applicable).

6.5 Application and distribution of proceeds of enforcement

6.5.1 In connection with the enforcement of the security constituted by the relevant Deed of Charge, after the realisation and liquidation of the relevant Collateral Assets in accordance with Secured W&C Instruments Condition 6.6, the Security Agent (acting in accordance with an Acceleration Instruction) shall instruct the Disposal Agent to use the proceeds of such realisation and liquidation of the Collateral Assets to make payment of any amounts payable to the Secured Parties ranking prior to the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms and to notify the Secured W&C Instruments Valuation Agent of the Collateral Enforcement Proceeds. Following such payment the Secured W&C Instruments Valuation Agent shall determine the Collateral Enforcement Proceeds Share (if any) in respect of each Non-Waived W&C Instrument and shall notify such amount to the Security Agent, the Disposal Agent and to the Holders in accordance with W&C Instruments Condition 12 (*Notices*).

6.5.2 Subject as provided below, the Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall apply the remaining proceeds from the realisation of the relevant Collateral Assets in a Collateral Pool in meeting the claims of Holders in respect of the Early Settlement Amount payable under each Non-Waived W&C Instrument which is secured by the relevant Collateral Pool *pro rata* to the Collateral Enforcement Proceeds Share of each such Non-Waived W&C Instrument.

6.5.3 If the Collateral Enforcement Proceeds Share for a particular Non-Waived W&C Instrument is greater than the Early Settlement Amount of such Non-Waived W&C Instrument, then:

- (a) where "NV Collateralisation" or "Max (NV,MV) Collateralisation" is specified to be applicable in the applicable Final Terms, such Holder shall be entitled to receive from the Collateral Enforcement Proceeds Share up to the greater of:
 - (i) the product of (A) the Collateralisation Percentage, multiplied by (B) the Notional Amount of such Non-Waived W&C Instrument; and
 - (ii) the Early Settlement Amount,

(the greater of the amounts in sub-paragraphs (i) and (ii) shall be the "**NV Collateralisation Enforcement Proceeds Cap**"). Any excess amount of the Collateral Enforcement Proceeds Share over the NV Collateralisation Enforcement

Proceeds Cap will be distributed to the Secured Parties ranking after the Holders of Non-Waived Secured W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms; or

- (b) where "MV Collateralisation" or "Min (NV,MV) Collateralisation" is specified to be applicable in the applicable Final Terms, the Holder is only entitled to receive from the Collateral Enforcement Proceeds Share an amount equal to the Early Settlement Amount. Any excess amount of the Collateral Enforcement Proceeds Share over the Early Settlement Amount will not be distributed to such Holder but will be distributed to the Secured Parties ranking after the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms.

6.5.4 Where the Collateral Enforcement Proceeds Share for a particular Secured W&C Instrument is less than the Early Settlement Amount (such amount being a "**Collateral Enforcement Loss Amount**"), such Holder will not be entitled to any further recourse against the Issuer or the Collateral Provider for such Collateral Enforcement Loss Amount.

6.5.5 The Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall determine the date for distribution of the remaining proceeds to Holders in accordance with Secured W&C Instruments Condition 6.5.2 and shall notify such date to the relevant Instrument Agent and the relevant Instrument Agent shall notify Holders in accordance with W&C Instruments Condition 12 (*Notices*).

6.5.6 Moneys held by the Security Agent shall be deposited in its name in an account at such bank or other financial institution as the Security Agent may, acting in good faith and in a commercially reasonable manner, think fit. Any interest paid by such bank or financial institution on such moneys shall be deemed to be Collateral Assets.

6.5.7 To the extent that any proceeds from the liquidation or realisation of the relevant Collateral Assets in a Collateral Pool are not in the Settlement Currency, then such proceeds shall be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), having regard to then current rates of exchange. Any rate, method and date so specified shall be binding on the Issuer, the Collateral Provider and the Holders.

6.6 Method of realisation of Collateral Assets

Subject as may otherwise be provided for in these Secured W&C Instruments Conditions, in effecting the sales, the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) may sell the relevant Collateral Assets in one single tranche or in smaller tranches as it considers appropriate in order to attempt reasonably to maximise the proceeds from such sale. The Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) may effect sales of the Collateral Assets (a) on any securities exchange or quotation service on which the Collateral Assets may be listed or quoted, (b) in the over-the-counter market or (c) in transactions otherwise than on such exchanges or in the over-the counter market.

Where the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) disposes of any Collateral Assets other than on any securities exchange or quotation service on which the Collateral Assets may be listed or quoted then:

- (a) the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall seek firm bid quotations from at least three independent dealers in assets similar in nature to the relevant Collateral Assets (and, for such purpose, it may seek quotations in respect of such Collateral Assets in their entirety or in respect of a designated part or proportion thereof, as it considers appropriate in order to maximise the proceeds of the sale of such Collateral Assets);

- (b) for the purposes of obtaining the quotations referred to in (a) above, the Security Agent or the Disposal Agent may itself provide a bid in respect of the relevant Collateral Assets or any part or proportion thereof; and
- (c) the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall be authorised to accept without liability to any party in respect of each relevant part or proportion of the Collateral Assets or, as applicable, the entirety of the relevant Collateral Assets the highest quotation so obtained (which may be a quotation from the Security Agent or the Disposal Agent (when providing such quotations itself, the Security Agent or the Disposal Agent shall act in a commercially reasonable manner)).

Notwithstanding any other provision of these Secured W&C Instruments Conditions, following receipt by the Security Agent of notice of an Acceleration Event, the Security Agent shall be entitled in its sole discretion to instruct the Disposal Agent to liquidate, dispose or realise any of the Collateral Assets at any time and without regard to any of the provisions of the Secured W&C Instruments Conditions with respect to method, price or time of such realisation, in order to satisfy any Security Agent Amounts, and without liability to any party for any such action.

6.7 **Inability to realise Collateral Assets**

If the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) is unable to sell the relevant Collateral Assets on any securities exchange or quotation service on which the Collateral Assets may be listed or quoted or obtain the three quotations required for the sale of one or more Collateral Assets, in each case pursuant to Secured W&C Instruments Condition 6.6, for a period of one year from the date of the relevant Acceleration Instruction (such Collateral Assets being "**Non-Realised Collateral Assets**"), then notwithstanding any other provision hereof, the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall be entitled without liability to any party to sell such Non-Realised Collateral Assets by accepting the first available price for such Non-Realised Collateral Assets.

6.8 **Physical Delivery of Collateral Assets**

6.8.1 Where "Physical Delivery of Collateral Assets" is specified to be applicable in the applicable Final Terms, following enforcement of a Deed of Charge, the Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall:

- (a) firstly, apply any Cash held in the Collateral Account in payment of any amounts payable to the Secured Parties ranking prior to the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms; and
- (b) secondly, to the extent that any Cash held in the Collateral Account is insufficient to make payment of any amounts payable to the Secured Parties ranking prior to the Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms, liquidate or realise in accordance with Secured W&C Instruments Condition 6.6 an amount of Collateral Assets sufficient to make the payment of the remainder of such amounts in accordance with the Order of Priority specified in the applicable Final Terms,

the aggregate amount of Collateral Assets remaining in the relevant Collateral Account following such distribution of Cash and liquidation or realisation in accordance with this Secured W&C Instruments Condition 6.8.1, the "**Remaining Collateral Assets**". The Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall notify the Secured W&C Instrument Valuation Agent of the Collateral Assets comprising the Remaining Collateral Assets.

6.8.2 The Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) will notify the relevant Instrument Agent and the relevant Instrument Agent

will notify Holders of the relevant Collateral Delivery Date in accordance with W&C Instruments Conditions 12 (*Notices*) and:

- (a) the Secured W&C Instruments Valuation Agent shall aggregate the Unrounded Collateral Assets Entitlement (excluding any Cash) in respect of all Non-Waived W&C Instruments of such Series held by each such Holder and will round down such aggregated Unrounded Collateral Assets Entitlement to the nearest tradable unit of each type of Collateral Asset (the "**Entitlement**" in respect of such Holder);
- (b) the Secured W&C Instruments Valuation Agent shall notify the Entitlement in respect of each Holder to the Security Agent and the Disposal Agent and to the Holders in accordance with W&C Instruments Condition 12 (*Notices*);
- (c) the Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall deliver the relevant Entitlement to the Holders of the Non-Waived W&C Instruments secured by the relevant Collateral Pool in accordance with the method of transfer of Collateral Assets specified in W&C Instruments Condition 24(C)(b) or 30(C)(b) (provided that no Expenses shall be payable), as applicable (and each reference in those W&C Instruments Conditions to "Issuer" shall be deemed to be a reference to "Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent)"); and
- (d) the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall realise and liquidate in accordance with Secured W&C Instruments Condition 6.6 the number or fraction of Collateral Assets which it is not possible to deliver to a Holder following rounding by the Secured W&C Instruments Valuation Agent in accordance with sub-paragraph (a) above as notified to the Security Agent and the Disposal Agent in accordance with sub-paragraph (b) above and shall notify the Secured W&C Instruments Valuation Agent of the amount of the proceeds of such realisation and liquidation. The Secured W&C Instruments Valuation Agent shall notify the Fractional Cash Amount in respect of each Holder to the Security Agent and the Disposal Agent and to the Holders in accordance with W&C Instruments Condition 12 (*Notices*). The Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall pay the relevant Fractional Cash Amount to each Holder.

Delivery of such Entitlement and payment of such Fractional Cash Amount shall fully extinguish the Issuer's obligations in respect of the relevant Secured W&C Instruments notwithstanding that the value of the Entitlement so delivered and Fractional Cash Amount so paid may be less than the market value and/or nominal value of the relevant Secured W&C Instrument.

- 6.8.3 A Holder is only entitled to receive its Entitlement (and any Fractional Cash Amount) and delivery thereof is subject to Secured W&C Instruments Condition 6.9. Any remaining Collateral Assets will be liquidated by the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) and the proceeds thereof distributed to the Secured Parties ranking after Holders of Non-Waived W&C Instruments in accordance with the Order of Priority specified in the applicable Final Terms.
- 6.8.4 Where the Entitlement for a particular Holder is less than the sum of the Early Settlement Amounts that would be payable in respect of each Non-Waived W&C Instrument held by such Holder if "Physical Settlement of Collateral Assets" were deemed to be not applicable (such loss amount, the "**Collateral Enforcement Loss Amount**"), such Holder shall not be entitled to any further recourse against the Issuer, the Collateral Provider or any other party for such Collateral Enforcement Loss Amount.
- 6.8.5 W&C Instruments Condition 5 shall not apply in respect of Secured W&C Instruments.

6.8.6 To the extent that any Cash in a Collateral Pool is not in the Settlement Currency, such Cash shall be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), having regard to then current rates of exchange. Any rate, method and date so specified shall be binding on the Issuer, the Collateral Provider and the Holders.

6.8.7 For the purposes of these Secured W&C Instruments Conditions, the following definitions will apply:

"Collateral Delivery Date" means, in relation to a Series of Secured W&C Instruments where "Physical Delivery of Collateral Assets" is applicable, the date on which the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) intends to deliver the Entitlement to Holders.

"Fractional Cash Amount" means, in respect of a Holder, an amount in the Settlement Currency determined by the Secured W&C Instruments Valuation Agent as the sum of:

- (a) the pro rata share of the proceeds of such realisation and liquidation of such Holder whose Entitlement is subject to rounding (determined by the Secured W&C Instruments Valuation Agent in respect of each Holder, on the basis of the difference between the aggregated Unrounded Collateral Assets Entitlement of such Holder minus the Entitlement of such Holder); plus
- (b) the pro rata share of any Cash comprised in the Remaining Collateral Assets of such Holder (determined by the Secured W&C Instruments Valuation Agent in respect of each Holder, on the basis of the aggregated Unrounded Collateral Assets Entitlement of such Holder).

"Remaining Collateral Assets" has the meaning given in Secured W&C Instruments Condition 6.8.1.

"Unrounded Collateral Assets Entitlement" means, for each Non-Waived W&C Instrument in a Series of Secured W&C Instruments, the lesser of:

- (a) Collateral Assets with a Market Value equal to the Market Value of the Collateral Assets comprising such Non-Waived W&C Instrument's *pro rata* share of the Remaining Collateral Assets, in each case, as determined by the Collateral Agent in respect of the Secured W&C Instrument Valuation Time for the Collateral Test Date immediately preceding delivery of the Collateral Enforcement Notice; and
- (b) Collateral Assets with a Market Value determined by the Collateral Agent in respect of the Secured W&C Instrument Valuation Time for the Collateral Test Date immediately preceding delivery of the Collateral Enforcement Notice equal to, if the applicable Final Terms specify:
 - (i) "NV Collateralisation" or "Max (NV,MV) Collateralisation" to be applicable, the greater of:
 - (A) the product of (I) the Collateralisation Percentage, multiplied by (II) the Notional Amount of such Non-Waived W&C Instrument; and
 - (B) the Early Settlement Amount in respect of such Non-Waived W&C Instrument; or
 - (ii) "MV Collateralisation" or "Min (NV,MV) Collateralisation" to be applicable, the Early Settlement Amount in respect of such Non-Waived W&C Instrument,

in each case, as determined by the Secured W&C Instruments Valuation Agent.

6.9 Physical Delivery of Collateral Assets Disruption Event

- 6.9.1 If, in the opinion of the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), delivery of all or some of the Collateral Assets forming part of the Entitlement using the method of delivery specified in W&C Instruments Condition 24(C)(b) or 30(C)(b) (as applicable and as notified to the Disposal Agent by the Security Agent), or such other commercially reasonable manner as the Security Agent, or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), has determined, is not practicable by reason of a Physical Delivery of Collateral Assets Disruption Event having occurred and continuing on any Collateral Delivery Date, then such Collateral Delivery Date shall be postponed to the first following Collateral Business Day in respect of which there is no such Physical Delivery of Collateral Assets Disruption Event, provided that the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) may elect in its sole discretion and without liability to any party to deliver the Collateral Assets forming part of the Entitlement in such other commercially reasonable manner as it may select and in such event the Collateral Delivery Date shall be such day as the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) deems appropriate in connection with delivery of the Collateral Assets forming part of the Entitlement in such other commercially reasonable manner.

Where a Physical Delivery of Collateral Assets Disruption Event affects some but not all of the Collateral Assets forming part of the Entitlement due to be delivered to a Holder, the Collateral Delivery Date for those Collateral Assets forming part of the Entitlement which are able to be delivered will be the Collateral Delivery Date on which such Collateral Assets are delivered.

- 6.9.2 If delivery of any Collateral Assets forming part of the Entitlement is not possible due to the occurrence of a Physical Delivery of Collateral Assets Disruption Event for a period of greater than 20 Collateral Business Days, then in lieu of physical settlement and notwithstanding any other provision hereof, the Security Agent (acting in accordance with an Acceleration Instruction) or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall sell or realise the Undeliverable Collateral Assets in the manner set out in Secured W&C Instruments Condition 6.6 and deliver the proceeds thereof to Holders.
- 6.9.3 If the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) is unable to either sell the Collateral Assets on any securities exchange or quotation service on which the Collateral Assets may be listed or quoted or obtain the three quotations required for the sale of the Collateral Assets, in each case pursuant to Secured W&C Instruments Condition 6.6, the Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent) shall be entitled, without the Security Agent or the Disposal Agent incurring any liability to any party, to accept the first available price for such Collateral Assets.

The Security Agent or the Disposal Agent (acting on behalf of and at the instruction of the Security Agent), shall give notice as soon as practicable to the relevant Instrument Agent and the relevant Instrument Agent will give notice as soon as practicable to Holders in accordance with W&C Instruments Condition 12 (*Notices*) that a Physical Delivery of Collateral Assets Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Non-Waived W&C Instruments in the event of any delay in the delivery of the Collateral Assets forming part of the Entitlement due to the occurrence of a Physical Delivery of Collateral Assets Disruption Event and no liability in respect thereof shall attach to the Issuer, the Collateral Provider, the Security Agent or the Disposal Agent.

6.10 Replacement Secured W&C Instruments Valuation Agent

If, following the delivery of a Collateral Enforcement Notice, the Secured W&C Instruments Valuation Agent fails to make the applicable calculations and determinations specified in this Secured W&C Instruments Condition 6, or fails to notify the Security Agent or the Disposal Agent of the results of such calculations and determinations, within a reasonable time and in any event within 20 Collateral Business Days of receipt of a written request from the Security Agent and/or Disposal Agent (acting on behalf of and at the instruction of the Security Agent)

that it make such calculations and determinations, then the Security Agent shall as soon as reasonably practicable appoint a replacement Secured W&C Instruments Valuation Agent (a "**Replacement Secured W&C Instruments Valuation Agent**") in accordance with Secured W&C Instruments Condition 3.7.

7. Segregation of Collateral Pools and Limited Recourse and Non-Petition

By acquiring and holding Secured W&C Instruments, Holders will be deemed to acknowledge and agree that the obligations of the Issuer to the Holders are limited in recourse to the Collateral Assets contained in the relevant Collateral Pool securing such Series of Secured W&C Instruments. If:

- (a) there are no relevant Collateral Assets in the relevant Collateral Pool remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the relevant Collateral Assets in the relevant Collateral Pool have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the relevant Deed of Charge, the Security Agency Agreement and these Secured W&C Instruments Conditions; and
- (c) there are insufficient amounts available from the relevant Collateral Assets in the relevant Collateral Pool to pay in full, in accordance with the provisions of the relevant Deed of Charge, the Security Agency Agreement and these Secured W&C Instruments Conditions, amounts outstanding under the Secured W&C Instruments (including payments of principal, premium (if any) and interest),

then the Holders of such Secured W&C Instruments shall have no further claim against the Issuer or the Collateral Provider in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) and/or interest in respect of the Secured W&C Instruments). In particular, no Holder shall be entitled to have recourse to the Collateral Assets contained in a Collateral Pool other than the Collateral Pool which secures the Secured W&C Instruments held by such Holder. The Secured W&C Instruments are not guaranteed by the Guarantor or any other entity and therefore Holders will have no claim against the Guarantor or any other entity in respect of any such amounts owing to them which remain unpaid.

8. Collateral Disruption Events

Upon the occurrence, as determined by the Secured W&C Instruments Valuation Agent, in each case acting in good faith, of a Collateral Disruption Event, the Issuer may at its option and in its sole discretion give notice to the Holders in accordance with W&C Instruments Condition 12 (*Notices*) and cancel all but not some only of the Secured W&C Instruments of the relevant Series at the Early Settlement Amount on the date specified by the Issuer in the notice to Holders.

9. Release of Security

The security constituted by the relevant Deed of Charge will be released in relation to Collateral Assets that are withdrawn from the Collateral Account in accordance with Secured W&C Instruments Condition 4.4 or Secured W&C Instruments Condition 4.5 and in accordance with the provisions of the relevant Deed of Charge.

USE OF PROCEEDS

Notes

MLBV intends to use the net proceeds from the issue and sale of the Notes for general corporate purposes, including making general loans to affiliates which may use such proceeds for their general corporate purposes.

W&C Instruments

Each Issuer intends to use the net proceeds from each issue of W&C Instruments issued by it for its general corporate purposes, including making general loans to affiliates which may use such proceeds for their general corporate purposes. A substantial portion of the proceeds from the issue of W&C Instruments may be used to hedge market risk with respect to such W&C Instruments. If, in respect of any particular issue of W&C Instruments, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

FORM OF GUARANTEE

FOR VALUE RECEIVED, the receipt of which is hereby acknowledged, **BANK OF AMERICA CORPORATION**, a corporation duly organised and existing under the laws of the State of Delaware ("**BAC**"), hereby unconditionally and irrevocably guarantees (the "**Guarantee**") to the holders (the "**Holders**") of unsecured Warrants and unsecured Certificates issued on or after the date hereof by Merrill Lynch International & Co. C.V., a limited partnership of unlimited duration organised under the laws of Curaçao ("**MLICo.**"), and Notes and Certificates issued on or after the date hereof by Merrill Lynch B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands ("**MLBV**" and, together with MLICo., the "**Issuers**" and each, an "**Issuer**"), in each case under the terms of the Amended and Restated Agency Agreement dated 10 August 2015 (as the same may be further amended, supplemented and/or restated from time to time in accordance with the terms thereof, the "**Agency Agreement**") among BAC, MLICo., MLBV and the Agents (as defined therein):

- (a) the due and punctual payment by the relevant Issuer of any and all amounts payable by such Issuer as obligor in respect of each Instrument (as defined below); and/or
- (b) subject as provided below, the due and punctual delivery of non-cash consideration deliverable by the relevant Issuer in respect of each Instrument, if applicable,

when and as the same shall become due and payable or when the same shall become due for delivery, as the case may be, pursuant to the terms of the Instruments issued on or after the date hereof. This Guarantee is one of payment when due and not of collection.

For the avoidance of doubt, any series of Instruments originally issued by the relevant Issuer pursuant to a guarantee issued by BAC prior to the date hereof (each, an "**Original Guarantee**"), and any Instruments issued on or after the date hereof which are expressed to be consolidated and form a single series with any Instruments issued prior to the date hereof, shall continue to be governed by, and construed in accordance with, the terms of such Original Guarantee.

Except as provided above, any Instruments issued under the Agency Agreement and on or after the date hereof shall have the benefit of this Guarantee, but shall not have the benefit of any subsequent guarantee by BAC relating to Instruments issued by the relevant Issuer on or after the date of such subsequent guarantee (unless expressly so provided in any such subsequent guarantee).

Unsecured Warrants and unsecured Certificates are herein referred to as "**W&C Instruments**" and Notes and W&C Instruments are herein referred to as "**Instruments**".

For the avoidance of doubt, the term "Instruments" as used in this Guarantee shall not include any Warrants or Certificates issued by MLICo. which are secured by a segregated pool of collateral assets.

Notwithstanding that under the terms of the Instruments either (i) the relevant Issuer has the right (whether or not exercised) to vary the type of consideration due and payable or deliverable to a Holder or (ii) a Holder has the right (whether or not exercised) to vary the type of consideration due and payable or deliverable to it or (iii) the relevant Issuer is obligated to deliver non-cash consideration to Holders when the same shall become due and deliverable, BAC shall at all times have the right, at its sole and unfettered discretion, to elect not to deliver or procure delivery of the Entitlement to the Holders of such Instruments when the same shall become due and deliverable, but, in lieu thereof, to pay an amount in cash equal to the Guaranteed Cash Settlement Amount (calculated pursuant to the terms of, or as specified in, the Terms and Conditions or Securities Note (if applicable) prepared with respect to such Instruments). Any payment of the Guaranteed Cash Settlement Amount in lieu of the Entitlement shall constitute a complete discharge of BAC's obligations in respect of such Instruments.

Subject as provided above, in case of the failure of the relevant Issuer punctually to make any such payment or to perform any such delivery obligation, at the time and in the manner required under the terms and conditions of the relevant Instruments, BAC hereby agrees to make such payment or to perform such delivery obligation, as the case may be, or cause such payment to be made or to cause such delivery obligation to be performed, as the case may be, promptly upon demand in accordance with the terms of the relevant Instruments; such demand must be made by the relevant Holder by the

giving of written notice of such demand to BAC at Bank of America Corporation, Bank of America Corporate Center, Attention: Corporate Treasury—Global Funding Transaction Management, NC1-007-06-10, 100 North Tryon Street, Charlotte, North Carolina 28255, U.S.A., with a copy sent to BAC at Bank of America Corporation, Legal Department, Attention: General Counsel, NC1-027-18-05, 214 North Tryon Street, Charlotte, North Carolina 28255, U.S.A.; provided however, that delay in making such demand shall in no event affect BAC's obligations under this Guarantee. This Guarantee shall remain in full force and effect or shall be reinstated (as the case may be) if at any time any payment or delivery guaranteed hereunder, in whole or in part, is rescinded or must otherwise be returned by a Holder upon the insolvency, bankruptcy or reorganisation of the relevant Issuer or otherwise, all as though such payment or delivery had not been made.

BAC covenants in favour of each Holder who is a United States Alien or a Netherlands Non-resident that it will duly perform and comply with the obligations expressed to be undertaken by it in Note Condition 8 (*Taxation*). In particular, if in respect of any payment to be made under this Guarantee, any deduction or withholding for or on account of any present or future tax, assessment or other governmental charge of whatever nature is imposed, BAC shall pay the additional amounts referred to in Note Condition 8 (*Taxation*), all subject to and in accordance with the provisions of Note Condition 8 (*Taxation*).

BAC hereby agrees that its obligations hereunder shall be unconditional, irrespective of (i) the validity, regularity or enforceability (except as may result from any applicable statute of limitations) of any Instrument; (ii) the absence of any action to enforce any of the relevant Issuer's obligations with respect to any Instrument; (iii) any waiver or consent by any Holder concerning any provision of any Instrument; (iv) the rendering of any judgment against the relevant Issuer or any action to enforce the same; (v) any change in the relevant Issuer's name, or any reorganisation (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the relevant Issuer or its business; (vi) any consent by the relevant Issuer to judicial proceedings relating to itself under any applicable bankruptcy, liquidation, insolvency, composition, reorganisation or other similar laws; or (vii) any other circumstances that might otherwise constitute a legal or equitable discharge of a guarantor or a defence of a guarantor. BAC covenants that, subject as provided below, this Guarantee will not be discharged except by complete payment of the amounts payable under each Instrument and/or the complete performance of any obligation with respect to physical delivery to be performed under each Instrument, as applicable. This Guarantee shall continue to be effective if the relevant Issuer merges or consolidates with or into another entity, loses its separate legal identity or ceases to exist.

BAC hereby waives diligence; presentment; protest; notice of protest, acceleration or dishonour; filing of claims with any court in the event of insolvency or bankruptcy of the relevant Issuer; all demands whatsoever, except as noted above with respect to demand made by the relevant Holder in accordance with the terms of the relevant Instruments; and any right to require a proceeding first against the relevant Issuer.

BAC hereby represents and warrants that this Guarantee constitutes the valid and binding obligation of BAC and is enforceable in accordance with its terms.

The obligations of BAC under this Guarantee, save for such exceptions as may be provided by applicable laws and regulations or judicial order, rank *pari passu* with its other present and future unsecured and unsubordinated contractual obligations.

This Guarantee shall not be valid or become obligatory for any purpose with respect to any Instrument until (i) in the case of an Instrument other than a Swedish W&C Instrument, a Swedish Note, a Finnish W&C Instrument or a CREST W&C Instrument, the Global Certificate, the Global Warrant, the Global Note, the Individual Note Certificate, the individual certificate or individual warrant certificate, as applicable, representing such Instrument shall have been authenticated as provided in the Agency Agreement; (ii) in the case of a Swedish W&C Instrument or Swedish Note, the issue of such Swedish W&C Instrument or Swedish Note, as applicable, has been duly registered in the book-entry system of the Swedish CSD; (iii) in the case of a Finnish W&C Instrument, the issue of such Finnish W&C Instrument has been duly registered in the book-entry system of Euroclear Finland; or (iv) in the case of a CREST W&C Instrument, the issue of such CREST W&C Instrument has been duly registered in the Record of the CREST Agent and notified to the Operator.

Terms and expressions defined in the Agency Agreement and the applicable Conditions shall have the same meanings when used in this Guarantee, except where the context otherwise requires.

This Guarantee shall be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed in the State of New York.

The Instruments are governed by, and construed in accordance with, English law, and the Issuers have submitted to the exclusive jurisdiction of the English courts for the purposes of determining any legal action or proceeding relating thereto. BAC has not submitted to the jurisdiction of the English courts for any such purpose, and any legal action or proceedings arising out of or relating to this Guarantee shall be subject to the exclusive jurisdiction of the U.S. federal court in the Borough of Manhattan in the City and State of New York.

This Guarantee may be terminated at any time by written notice by BAC to the Issuers, and shall be effective upon receipt of such notice by the Issuers or such later date as may be specified in such notice; provided, however, that this Guarantee shall continue in full force and effect with respect to any payment or delivery obligation of the Issuers under the Instruments covered by this Guarantee already in issue at the date of such termination becoming effective or the Conditions relating thereto arising prior to the effectiveness of such notice of termination.

IN WITNESS WHEREOF, BAC has caused this Guarantee to be executed in its corporate name by its duly authorised representative effective as of 10 August 2015.

BANK OF AMERICA CORPORATION

By: _____

Name: _____

Title: _____

BOOK-ENTRY CLEARING SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt, Euroclear Finland, or Euroclear Sweden (together, the "**Book-Entry Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Book-Entry Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Book Entry Clearing System. None of the relevant Issuer, BAC or any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Instruments held through the facilities of any Book-Entry Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-Entry Systems

DTC

DTC has advised MLICo. that DTC, the world's largest securities depository, is a limited-purpose trust company organised under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerised book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). The DTC rules applicable to its participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Rule 144A Global Warrants held through DTC among Direct Participants on whose behalf it acts with respect to Warrants accepted into DTC's book-entry settlement system ("**DTC Warrants**") as described below and receives and transmits payments on DTC Warrants. Direct Participants and Indirect Participants with which beneficial owners of DTC Warrants ("**Beneficial Owners**") have accounts with respect to the DTC Warrants similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners who hold DTC Warrants through Direct Participants or Indirect Participants will not possess definitive Warrants, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interests in respect of the DTC Warrants.

Purchases of DTC Warrants under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Warrants on DTC's records. The ownership interest of each actual purchaser of each DTC Warrant being a Beneficial Owner, is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Warrants are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Warrants, except in the event that use

of the book-entry system for the DTC Warrants is discontinued or as may otherwise be described in such DTC Warrants.

To facilitate subsequent transfers, all DTC Warrants deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Warrants with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Warrants; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Warrants are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Under certain circumstances DTC will exchange the DTC Warrants for definitive Warrants, which it will distribute to its Participants in accordance with their proportionate entitlements. Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Warrants to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Warrants, may be limited in its ability to effect such a pledge.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that MLICo. believes to be reliable, but MLICo. takes no responsibility for the accuracy thereof.

Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt and Euroclear Finland

Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt and Euroclear Finland each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt and Euroclear Finland provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt and Euroclear Finland also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt and Euroclear Finland customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear, Clearstream, Luxembourg, Clearstream, Frankfurt and Euroclear Finland is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855, Luxembourg, the address of Clearstream, Frankfurt is Mergenthalerallee 61, 65760, Eschborn, Germany, and the address of Euroclear Finland is P.O. Box 1110, 00101 Helsinki, Finland.

Euroclear Sweden

Euroclear Sweden is a subsidiary within the Euroclear group of companies and a limited liability company incorporated in Sweden. It is authorised and regulated by the Swedish Financial Supervisory Authority as a central securities deposit within the meaning of the Swedish Financial Instruments Accounts Act (1998:1479 (as amended)) and as a clearing organisation within the meaning of the Swedish Securities Markets Act (2007:528 (as amended)).

Swedish Notes and Swedish W&C Instruments will be issued in registered, uncertificated and dematerialised book-entry form with Euroclear Sweden in accordance with the Swedish CSD Rules.

No physical notes, certificates or other physical instruments (whether in global, temporary or definitive form) will be issued in respect of the Swedish W&C Instruments or Swedish Notes other than as specifically allowed in the Terms and Conditions of the Notes and the Terms and Conditions of the W&C Instruments.

All transactions relating to the Swedish W&C Instruments or Swedish Notes (such as issuance, sale and transfer, pledge arrangements and other dispositions and redemptions) are executed as computerised book-entry registrations. Consequently, in order to effect such entries Holders must establish a book-entry account through a credit institution or a securities firm acting as an account operator with Euroclear Sweden. More information regarding Euroclear Sweden and its rules and operating procedures can be found at its internet web site at <http://www.euroclear.eu>.

Book-Entry Ownership of and Payments in respect of DTC Warrants

If a Rule 144A Global Warrant is to be registered in the name of a nominee of DTC, MLICo. will apply to DTC in order to have the Warrants represented by such Rule 144A Global Warrant accepted in its book-entry settlement system. Upon the issue of any Rule 144A Global Warrant to be held through DTC, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Warrant to the accounts of persons who have accounts with DTC. Ownership of beneficial interests in any such Rule 144A Global Warrant will be limited to Direct Participants or Indirect Participants, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in any such Rule 144A Global Warrant held through DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars in respect of a Rule 144A Global Warrant registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Warrant. In the case of any payment in a currency other than U.S. dollars, payment will be made to the U.S. Warrant Agent on behalf of DTC's nominee and the U.S. Warrant Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Rule 144A Global Warrant held through DTC in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable participants' account.

MLICo. expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. MLICo. also expects that payments by participants to Beneficial Owners of Warrants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such participant and not the responsibility of DTC, the Principal Warrant Agent, the U.S. Warrant Agent or MLICo. Payments on Warrants to DTC are the responsibility of MLICo.

Transfers of Instruments Represented by Global Instruments

Transfers of any interests in Instruments represented by a Global Warrant within DTC or a Global Instrument within Euroclear, Clearstream, Luxembourg and Clearstream, Frankfurt will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Warrants represented by a Global Warrant to such persons may depend upon the ability to exchange such Warrants for Warrants in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Warrants represented by a Global Warrant to pledge such Warrants to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Warrants may depend upon the ability to exchange such Warrants for Warrants in definitive form. The ability of any person having a beneficial interest in Warrants represented by a Global Warrant to resell, pledge or otherwise transfer such Warrants may be impaired if the proposed transferee of such Warrants is not eligible to hold such Warrants through a Direct or Indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Rule 144A Global Warrants and Regulation S/Rule 144A Global Warrants described under "Notice to Purchasers and Holders of Instruments and Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear, Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Principal Warrant Agent, the U.S. Warrant Agent and any custodian ("**Custodian**") with whom the relevant Global Warrants have been deposited.

On or after the Issue Date for any Instruments, transfers of such Instruments between accountholders in Euroclear, Clearstream, Luxembourg and Clearstream, Frankfurt and transfers of such Instruments between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear, Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear, Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Warrants will be effected through the Principal Warrant Agent, the U.S. Warrant Agent and the Custodian receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear, Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The Warrants will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Euroclear, Clearstream, Luxembourg and Clearstream, Frankfurt have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Instruments among participants and accountholders of DTC, Euroclear, Clearstream, Luxembourg and Clearstream, Frankfurt. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, BAC, the Instrument Agents and any Dealer will be responsible for any performance by DTC, Euroclear, Clearstream, Luxembourg or Clearstream, Frankfurt or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Instruments represented by Global Instruments or for maintaining, supervising or reviewing any records relating to such beneficial interests.

**NOTICE TO PURCHASERS AND HOLDERS OF INSTRUMENTS AND TRANSFER
RESTRICTIONS**

As a result of the following restrictions, purchasers of Instruments are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Instruments.

Notes and Certificates

None of the Notes or Certificates of any series, the Guarantee of BAC and, in certain cases, the securities to be delivered upon settlement of such Notes or Certificates (if any), have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under any U.S. state securities laws. Trading in the Notes and Certificates has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") pursuant to the U.S. Commodity Exchange Act of 1936, as amended (the "**CEA**"). No Notes or Certificates of any Series, or interests therein, or Entitlements (if any) with respect thereto may be legally or beneficially owned by any United States Person at any time or offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any United States Person (other than distributors). "**United States Person**" means a person which is a "U.S. person" as defined by Regulation S ("**Regulation S**") under the Securities Act or a "United States person" as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), and in U.S. Treasury regulations. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery of any Notes or Certificates made, directly or indirectly, within the United States or to, or for the account or benefit of, a United States Person will not be recognised.

Any person purchasing Notes or Certificates of any Series will be deemed on purchase to represent, acknowledge, certify and agree with the relevant Issuer, the Guarantor, the Dealer or the seller of such Notes or Certificates for itself and any person for whose account such Notes or Certificates are being purchased that:

- (i) it is not a United States Person, is not located in the United States and was not solicited to purchase the Notes or Certificates, as applicable, while present in the United States;
- (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, transfer or deliver, directly or indirectly, any Notes or Certificates, as applicable, of such Series so purchased in the United States or to, or for the account or benefit of, any United States Person (other than distributors (as defined in Regulation S)) or to others for offer, sale, resale, trade, pledge, exercise, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person (other than distributors);
- (iii) it is not purchasing any Notes or Certificates, as applicable, of such Series for the account or benefit of any United States Person (other than distributors);
- (iv) it will not make offers, sales, resales, trades, pledges, exercises, transfers or deliveries of any Notes or Certificates, as applicable, of such Series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person (other than distributors);
- (v) prior to the delivery of any Entitlement in respect of an Instrument settled by Physical Delivery (a "**Physical Delivery Instrument**") the holder thereof will be required to represent that, *inter alia*, he is not a United States Person, the Note or Certificate, as applicable, was not exercised on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or the account or benefit of, a United States Person in connection with any exercise thereof;
- (vi) it acknowledges that the Global Notes and Global Certificates will bear a legend substantially to the following effect unless otherwise agreed to by the applicable Issuer:

"THE INSTRUMENTS REPRESENTED BY THIS GLOBAL INSTRUMENT, THE GUARANTEE AND, IN CERTAIN CASES, THE SECURITIES TO BE DELIVERED UPON [EXERCISE OR] SETTLEMENT OF THE INSTRUMENTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS

AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER SECURITIES LAWS. ACCORDINGLY, THIS INSTRUMENT, AND ANY INTERESTS HEREIN, MAY NOT BE OFFERED, SOLD, RESOLD, TRADED, PLEDGED, ASSIGNED, EXERCISED, REDEEMED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION (THE "**UNITED STATES**") OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY UNITED STATES PERSON. "**UNITED STATES PERSON**" MEANS A PERSON WHICH IS A "U.S. PERSON" AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT OR A "UNITED STATES PERSON" AS DEFINED IN SECTION 7701(a)(30) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND IN U.S. TREASURY REGULATIONS."; and

- (vii) that the relevant Issuer, the Guarantor and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes or Certificates as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Warrants

Restrictions on transfer of all Warrants

None of the Warrants of any Series, the Guarantee of BAC and, in certain cases, the securities to be delivered upon exercise or settlement of the Warrants have been, or will be, registered under the Securities Act or under any U.S. state securities laws. Trading in the Warrants has not been approved by the CFTC pursuant to the CEA. Neither MLICo. nor the Guarantor is registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**1940 Act**"). The Warrants may not be legally or beneficially owned by any United States Person nor offered, sold, resold, traded, pledged, exercised, transferred or delivered within the United States or to, or for the account or benefit of, United States Persons (as defined herein) except in private transactions in reliance on Rule 144A ("**Rule 144A**") under the Securities Act to "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A and who are also each a "qualified purchaser" (each a "**QP**") within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the 1940 Act and the rules thereunder, and who, as a condition to purchasing such unsecured Warrants shall enter into and remain in compliance with an Investor Representation Letter for the benefit of the Dealer, MLICo. and the Guarantor (together with their respective affiliates and any persons controlling, controlled by or under common control with such Dealer, MLICo. or the Guarantor) ("**Investor Representation Letter**"). Any reoffers, resales, trades, pledges, transfers or deliveries of such unsecured Warrants, or any part thereof, offered and sold in reliance on Rule 144A will only be made to or through MLICo. or the Dealer in the United States and to, or for the account or benefit of, a United States Person that is a QIB who also is a QP, and who, as a condition to any such reoffer, resale, trade, pledge, transfer or delivery, will enter into and remain in compliance with an Investor Representation Letter. Warrants may be offered and sold to non-United States Persons (including dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners (other than an estate or trust)) in offshore transactions (as defined by Regulation S) pursuant to Regulation S. Any reoffers, resales, trades, pledges, transfers or deliveries of the Warrants, or any part thereof, offered and sold pursuant to Regulation S will only be made outside the United States and to, or for the account or benefit of, a non-United States Person in accordance with Regulation S.

Prior to the delivery of the Entitlement in respect of a Physical Delivery Warrant, the holder thereof will be required to represent that, *inter alia*, it is not a United States Person, the Warrant was not exercised on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with any exercise thereof.

Any person purchasing Warrants of any Series (other than a Series of Rule 144A Warrants) will be deemed on purchase to represent, acknowledge, certify and agree with MLICo., the Guarantor, the

Dealer or the seller of such Warrants for itself and any person for whose account such Warrants are being purchased that:

- (i) it is not a United States Person, is not located in the United States and was not solicited to purchase such Warrants while present in the United States;
- (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, transfer or deliver, directly or indirectly, any Warrants of such Series so purchased in the United States or to, or for the account or benefit of, any United States Person (other than distributors (as defined in Regulation S)) or to others for offer, sale, resale, trade, pledge, exercise, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person (other than distributors);
- (iii) it is not purchasing any Warrants of such Series for the account or benefit of any United States Person (other than distributors); and
- (iv) it will not make offers, sales, re-sales, trades, pledges, exercises, transfers or deliveries of any Warrants of such Series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person (other than distributors).

Each purchaser of Warrants will, in connection with its purchase of such Warrants, be required to acknowledge, represent and agree, or by its acquisition or purchase of such Warrants be deemed to have acknowledged, represented and agreed, substantially to the following effect (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein) together with, to the extent not set forth below, the acknowledgements, representations and agreements made by such purchaser pursuant to the Investor Representation Letter (substantially in the form of Schedule 16 to the Agency Agreement) executed and delivered in connection with the purchase of Rule 144A Warrants:

- (i) that either:
 - (a) in the case of exchange, sale or transfer of a Warrant in the United States or to, or for the account or benefit of, a United States Person who takes delivery in the form of Warrants represented by a Rule 144A Global Warrant or a Regulation S/Rule 144A Global Warrant,
 - (1) it is a QIB that is also a QP (a "**QIB/QP**") purchasing for its own account or the account of a QIB/QP;
 - (2) it is not a dealer as described in Rule 144A(a)(1)(ii) which owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of issuers that are not affiliated persons of the dealer;
 - (3) it is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by beneficiaries of the plan;
 - (4) if it is an investment company excepted from the 1940 Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or Section 3(c)(7) thereof with respect to its U.S. holders) and was formed on or before 30 April 1996, it has received the consent of those of its beneficial owners who acquired their interests on or before 30 April 1996 with respect to its treatment as a qualified purchaser in the manner required by Section 2(a)(51)(C) of the 1940 Act and the rules thereunder;
 - (5) it is purchasing for its own account or for the accounts of one or more persons, each of whom meets the requirements of this paragraph (i)(a);
 - (6) it is not an entity that will have invested more than 40 per cent. of its assets in MLICo.'s securities after giving effect to the purchase of such Warrants;

- (7) it is not formed, reformed or recapitalised for the purpose of investing in the Warrants or other securities of MLICo. unless each of its beneficial owners is a QIB/QP who was not so formed;
 - (8) it, and each fund, person or entity who is purchasing or otherwise acquiring the Warrants (or any beneficial interest therein), must subscribe for a minimum number of Warrants valued in an amount of at least U.S.\$100,000 (or its equivalent in any other currency);
 - (9) unless both (I) it represents that its purchase, holding and disposition of any Warrants are eligible for exemptive relief under or are otherwise not prohibited by Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and Section 4975 of the Code (or any substantially similar U.S. federal, state, local or non-U.S. law) and (II) an opinion of counsel or other comfort satisfactory to MLICo. and the Guarantor is delivered which affirms that none of the acquisition, purchase or holding of any Warrant would cause any assets of MLICo. to be treated as "plan assets" for the purposes of ERISA or any regulation thereunder (or any substantially similar U.S. federal, state, local or non-U.S. law), it is not, and is not a fiduciary investing assets of or on behalf of, (i) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA; (ii) a plan (as defined in Section 4975(e)(1) of the Code) that is subject to section 4975 of the Code; (iii) an entity whose assets include assets of a plan described in (i) or (ii) above by reason of such a plan's investment in the entity under 29 C.F.R. §2510.3-101 as modified by Section 3(42) of ERISA or otherwise; or (iv) a governmental, church or non-U.S. plan that is subject to any U.S. federal, state, local or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code;
 - (10) that it understands that MLICo. may receive a list of participants holding positions in its securities from one or more book-entry depositories, including DTC, Euroclear or Clearstream, Luxembourg; and
 - (11) it will provide notice of applicable transfer restrictions to any subsequent transferees; or
- (b) it is outside the United States and is not a United States Person and is acquiring the Warrants in an offshore transaction in compliance with Regulation S;
- (ii) it has all requisite power and authority to enter into, deliver and perform its obligations under the Investor Representation Letter and the Investor Representation Letter has been duly authorised, validly executed and delivered by it and constitutes its valid and legally binding agreement; such entrance into the Investor Representation Letter and its acquisition of and payment for any Warrants do not violate or conflict with any law applicable to it, any provisions of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
 - (iii) if purchasing for allocation to one or more accounts or ultimate purchasers, it is acting as the duly authorised agent and/or the advisor with discretionary investment authority for such accounts or purchasers; it has all requisite agency or discretionary investment power and authority to enter into the Investor Representation Letter on behalf of such accounts or ultimate purchasers, and that the representations and warranties herein are true and correct as they apply to each of such accounts or ultimate purchasers at the time the commitment to purchase is undertaken;
 - (iv) it has received copies of this Base Prospectus and such other information as it deems necessary in order to make its investment decision and that it has read and understands all such information, including information in the relevant Final Terms (or has been afforded the opportunity to obtain such documents and information and has not taken the opportunity to do so);

- (v) if purchasing Warrants which have been issued prior to the purchaser's date of purchase which the Dealer (or any affiliate or subsidiary of the Dealer) has been holding from time to time on its own account ("Inventory Securities"), it acknowledges and accepts that (a) disclosure in relation to the Underlying Assets to which the Warrants may be linked as set forth in the Final Terms will have been extracted by the Issuer from such publicly available sources but will not have been prepared by, or on behalf of, and will not have been verified by, or on behalf of, MLICo., the Guarantor or the Dealer or any of their respective affiliates, (b) MLICo., the Guarantor and the Dealer and any of their respective affiliates have disclaimed any responsibility for such information, and such information will be out of date and none of MLICo., the Guarantor, the Dealer and any of their respective affiliates shall provide any updated information thereon, and (c) any sale of the Inventory Securities shall not, under any circumstances, create any implication whatsoever that there has been no change in the situation or condition of MLICo. or the Guarantor, or no change in the Underlying Assets since the date of the Final Terms, which might have an adverse effect on the pay-out and/or value of the relevant Inventory Securities;
- (vi) it understands that the investment in the Warrants is subject to a high degree of complex risks which may arise without warning, may at times be volatile, and that losses may occur quickly and in unanticipated magnitude and may result in a loss of the entire investment and the purchaser acknowledges and agrees that (a) it has valid business purposes in purchasing the Warrants, including managing the risks of its portfolio, and (b) MLICo. and the Guarantor have provided it with an opportunity to inquire concerning the Warrants, and it has concluded (if necessary, in conjunction with its own legal, tax, accounting, regulatory, investment and other professional advisors) that its investment in the Warrants is suitable in light of its own investment objectives, financial capabilities and expertise;
- (vii) it is able to bear the economic risk of an investment in the Warrants and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of acquiring such Warrants;
- (viii) that it understands and acknowledges that neither MLICo. nor the Guarantor has been registered or will be registered as an investment company under the 1940 Act and the Warrants and the Guarantee have not been registered under the Securities Act or any other applicable securities law, are being offered for sale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A, and may not be offered, sold or otherwise transferred except in compliance with the conditions for transfer set forth in paragraph (xiv) below;
- (ix) that it understands and acknowledges that trading in the Warrants and the Guarantee have not been approved by the CFTC pursuant to the CEA;
- (x) that it is not:
 - (a) a country, territory, individual or entity named on any publicly available list of known or suspected terrorists, terrorist organizations or other sanctioned persons or entities, or an individual or entity that resides or has a place of business in a country or territory named on such lists, issued by the U.S. government, including, without limitation, those lists administered by the U.S. Office of Foreign Assets Control, and the undersigned has established procedures to identify clients on such lists; or
 - (b) a "Foreign Shell Bank" as defined in the U.S. Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended (the "**USA Patriot Act**"), a foreign bank operating under an "Offshore Banking License" (as defined in the USA Patriot Act), a foreign bank operating in a non-cooperative Financial Action Task Force jurisdiction, or a foreign bank operating in an industry or jurisdiction designated as of primary money laundering concern by the U.S. Secretary of the Treasury;
- (xi) that it has relied on publicly available information concerning the Underlying Asset and that in issuing Warrants linked to any Underlying Asset, none of MLICo., the Guarantor and any of their respective affiliates is a fiduciary of, or advisor to it, and none has provided any

information to it, regarding the financial condition of the Underlying Asset, including the creditworthiness thereof, or any credit ratings applicable to the Underlying Asset. None of MLICo., the Guarantor and any of their respective affiliates has made diligence inquiries with respect to such matters. None of MLICo., the Guarantor any of their respective affiliates makes any representation as to the accuracy or adequacy of any publicly-available information with respect to the Underlying Asset and the sale of the Warrants to it is not a recommendation by MLICo, the Guarantor or any of their respective affiliates to purchase the Warrants or to acquire any other information linked to the Underlying Asset;

- (xii) that MLICo., the Guarantor and any of their respective affiliates may at the date hereof or at any time hereafter have business relationships with the issuers of the Underlying Asset and that, in the course of such relationships, MLICo., the Guarantor and any of their respective affiliates may come into possession of material, non-public information regarding the issuers of an Underlying Asset; such information could be either favourable or unfavourable with respect to the issuers of the Underlying Asset and, if known to it, might change its view of the merits of an investment in the Warrants; the Warrants linked to the issuers of the Underlying Asset do not create any obligation on the part of MLICo., the Guarantor or any of their respective affiliates to disclose any such business relationships or information (whether or not confidential) and none of MLICo., the Guarantor or any of their respective affiliates shall be liable to it by reason of any such non-disclosure. No such information had been used in the selection of any issuer of an Underlying Asset for the Warrants linked to any Underlying Asset;
- (xiii) it does not have, at the time it purchases or receives the Warrants of any Series or at the time it resells, trades, transfers, pledges, delivers, exercises or redeems the Warrants, any non-public information regarding the relevant issuer of the Underlying Asset (if any);
- (xiv) it agrees that the Warrants are not secured by any interest in any property or assets of any kind whatsoever, that the purchaser does not acquire any interest in or right to acquire, or rights associated with holding any Underlying Asset (including voting rights, if any) by virtue of holding any Warrant, that neither MLICo. nor the Guarantor or any entity acting for MLICo. or the Guarantor is obliged to hold or sell the relevant Underlying Asset, and that this disclaimer of any interest or claim to the relevant Underlying Asset (if any) is itself an integral term of the Warrants;
- (xv) in the case of Share Linked Warrants, GDR/ADR Linked Instruments, Fund Linked Instruments or certain Hybrid Basket Linked Instruments, that MLICo. and any of its affiliates may have existing or future business relationships with any issuer of an Underlying Asset (including, but not limited to, lending, depository, risk management, advisory or banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect its or their interests arising therefrom without regard to the consequences for a holder of such Warrants linked to any such Underlying Asset;
- (xvi) that the market value of the Warrants linked to any such Underlying Asset may be adversely affected by movements in the value of the Underlying Asset or in currency exchange rates;
- (xvii) that the Cash Settlement Amount (if any) in respect of any Warrant may be less than its Issue Price;
- (xviii) that, if in the future it decides to reoffer, resell, trade, pledge or otherwise transfer or deliver the Warrants or any beneficial interests in the Warrants, it will do so, only (a) in the case of a transferor who is a United States Person that is a QIB/QP, to or through MLICo. or the Dealer to a person in the United States or to, or for the account or benefit of, a United States Person who meets the requirements of paragraph (i)(a) above, and in compliance with Rule 144A under the Securities Act or (b) in the case of a transferor who is not a United States Person, to a person that is not a United States Person and that is acquiring the Warrants in an offshore transaction in compliance with Regulation S under the Securities Act;
- (xix) it will, and will require each subsequent Holder to, notify any purchaser of the Warrants from it of the resale restrictions referred to in paragraphs (viii) and (xviii) above;

- (xx) that prior to the delivery of the Entitlement in respect of a Physical Delivery Warrant the holder thereof will be required to represent that, inter alia, he is not a United States Person, the Warrant was not exercised on behalf of a United States Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with any exercise thereof;
- (xxi) that Warrants initially offered exclusively (a) in the United States to QIBs/QPs or to, or for the account or benefit of, United States Persons who are QIBs/QPs will be represented by one or more Rule 144A Global Warrants, and that Warrants initially offered (b) in the United States to QIBs/QPs or to, or for the account or benefit of, United States Persons who are QIBs/QPs and concurrently outside the United States in reliance on Regulation S will be represented by one or more Regulation S/Rule 144A Global Warrants;
- (xxii) that it is purchasing the Warrants for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, for each of which it has the authority to make the representations, acknowledgements and agreements set forth herein and in the Investor Representation Letter in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control. It agrees on its own behalf and on behalf of any investor account for which it is purchasing the Warrants, and each subsequent holder of the Warrants by its acceptance thereof will agree or will be deemed to agree, to offer, sell, trade, pledge or otherwise transfer or deliver such Warrants, only pursuant to the representations, restrictions and agreements described in the legends following this paragraph. It and any future purchaser acknowledge that each Global Warrant will contain a legend substantially to the following effect:

Rule 144A Global Warrants

"THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT, THE GUARANTEE AND, IN CERTAIN CASES, THE SECURITIES TO BE DELIVERED UPON EXERCISE OR SETTLEMENT OF THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED IN VIOLATION OF THE SECURITIES ACT OR ANY OTHER SECURITIES LAWS. MERRILL LYNCH INTERNATIONAL & CO. C.V., THE ISSUER OF THE WARRANTS, HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**1940 ACT**").

THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT MAY NOT BE OFFERED, SOLD, REOFFERED, RESOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED EXCEPT IN ACCORDANCE WITH THE CONDITIONS (AS DEFINED BELOW) AND THE AGENCY AGREEMENT (AS DEFINED BELOW), AND IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT. A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND SHALL BE DELIVERED TO EACH PERSON TO WHOM WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT ARE TRANSFERRED BY THE TRANSFERRING HOLDER.

THE HOLDER OF ANY WARRANTS, AND THE HOLDER OF ANY BENEFICIAL INTEREST IN THE WARRANTS, REPRESENTED BY THIS GLOBAL INSTRUMENT, AGREES BY ITS ACQUISITION HEREOF FOR THE BENEFIT OF THE DEALER, THE ISSUER AND THE GUARANTOR THAT ANY BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT MAY BE OFFERED, SOLD, REOFFERED, RESOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED ONLY TO OR THROUGH THE ISSUER OR THE DEALER (A) IN ACCORDANCE WITH THE CONDITIONS AND THE AGENCY AGREEMENT, AND IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, AND (B) TO A PERSON IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A UNITED STATES PERSON (AS DEFINED HEREIN) THAT (i) IS A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND A "QUALIFIED PURCHASER" ("**QP**")

WITHIN THE MEANING OF SECTION 3(c)(7), AND AS DEFINED IN SECTION 2(a)(51), OF THE 1940 ACT AND THE RULES THEREUNDER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT ALSO IS A QP; (ii) IS NOT (a) A DEALER DESCRIBED IN RULE 144A(a)(1)(ii) THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED WITH THE DEALER, (b) A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY BENEFICIARIES OF THE PLAN, (c) AN INVESTMENT COMPANY EXCEPTED FROM THE 1940 ACT PURSUANT TO SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF WITH RESPECT TO ITS U.S. HOLDERS) AND FORMED ON OR PRIOR TO 30 APRIL 1996, THAT HAS NOT RECEIVED THE CONSENT OF EACH OF ITS BENEFICIAL OWNERS WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE 1940 ACT AND THE RULES THEREUNDER, OR (d) AN ENTITY THAT WILL HAVE INVESTED MORE THAN 40 PER CENT. OF ITS ASSETS IN THE ISSUER'S SECURITIES; (iii) WAS NOT FORMED, REFORMED OR RECAPITALISED FOR THE PURPOSE OF INVESTING IN THE WARRANTS OR OTHER SECURITIES OF THE ISSUER UNLESS EACH OF ITS BENEFICIAL OWNERS IS BOTH A QIB AND A QP WHO WAS NOT SO FORMED; (iv) SUBSCRIBES, ON BEHALF OF ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING OR OTHERWISE ACQUIRING THE WARRANTS (OR BENEFICIAL INTERESTS THEREIN), FOR A MINIMUM NUMBER OF WARRANTS VALUED IN AN AMOUNT OF AT LEAST U.S.\$100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY); (v) WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE; (vi) UNLESS BOTH (I) IT REPRESENTS THAT THE PURCHASE, HOLDING AND DISPOSITION OF THE WARRANTS ARE ELIGIBLE FOR EXEMPTIVE RELIEF UNDER, OR ARE OTHERWISE NOT PROHIBITED BY, SECTION 406 OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), AND SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR ANY SUBSTANTIALLY SIMILAR U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW, AND (II) AN OPINION OF COUNSEL OR OTHER COMFORT SATISFACTORY TO THE ISSUER AND THE GUARANTOR IS DELIVERED WHICH AFFIRMS THAT NONE OF THE ACQUISITION, PURCHASE OR HOLDING OF ANY WARRANT WOULD CAUSE ANY ASSETS OF THE ISSUER TO BE TREATED AS "PLAN ASSETS" FOR THE PURPOSES OF ERISA OR ANY REGULATION THEREUNDER (OR ANY SUBSTANTIALLY SIMILAR U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW), IS NOT, AND IS NOT A FIDUCIARY INVESTING ASSETS OF OR ON BEHALF OF, (a) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO TITLE I OF ERISA; (b) A PLAN (AS DEFINED IN SECTION 4975(e)(1) OF THE CODE) THAT IS SUBJECT TO SECTION 4975 OF THE CODE; (c) AN ENTITY WHOSE ASSETS INCLUDE ASSETS OF A PLAN DESCRIBED IN (vi)(a) OR (b) ABOVE BY REASON OF SUCH A PLAN'S INVESTMENT IN THE ENTITY UNDER 29 C.F.R. §2510.3-101 AS MODIFIED BY SECTION 3(42) OF ERISA OR OTHERWISE; OR (d) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE; AND (vii) IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL OF THE REQUIREMENTS OF CLAUSES (i) THROUGH (vi). FOR THE PURPOSES HEREOF, A "**UNITED STATES PERSON**" MEANS A PERSON WHICH IS A "U.S. PERSON" AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT OR A "UNITED STATES PERSON" AS DEFINED IN SECTION 7701(a)(30) OF THE CODE AND IN U.S. TREASURY REGULATIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT SHALL BE REQUIRED TO REPRESENT WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH SUCH ACCOUNT SATISFIES THE REQUIREMENTS SET FORTH ABOVE AND ANY OFFER, SALE, REOFFER, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR OTHER TRANSFER, EXERCISE OR REDEMPTION OF ITS INTEREST IN SUCH WARRANTS MAY ONLY BE MADE TO A PERSON SATISFYING THE REQUIREMENTS ABOVE AND WILL REQUIRE THE SUBMISSION TO THE DEALER OR THE ISSUER OF A DULY COMPLETED INVESTOR REPRESENTATION LETTER EXECUTED FOR

THE BENEFIT OF THE DEALER, THE ISSUER AND THE GUARANTOR (TOGETHER WITH THEIR RESPECTIVE AFFILIATES AND ANY PERSONS CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH SUCH DEALER, ISSUER AND GUARANTOR), IN THE FORM AVAILABLE FROM THE DEALER, THE ISSUER OR THE RELEVANT INSTRUMENT AGENT (AS DEFINED IN THE AGENCY AGREEMENT) WITH RESPECT TO ANY INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT. ANY PURPORTED TRANSFER OF THE WARRANTS, OR ANY INTEREST THEREIN, REPRESENTED BY THIS GLOBAL INSTRUMENT IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AB INITIO AND SHALL NOT VEST ANY RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A **"DISQUALIFIED TRANSFEREE"**), NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE GUARANTOR, THE INSTRUMENT AGENT OR ANY INTERMEDIARY, AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

THE HOLDER OF ANY WARRANTS AND THE HOLDER OF ANY BENEFICIAL INTERESTS IN THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS INSTRUMENTS FROM THE RELEVANT CLEARING SYSTEM.

IF REQUESTED BY THE ISSUER, THE GUARANTOR OR BY AN INSTRUMENT AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THE WARRANT IS PERMISSIBLE UNDER THE SECURITIES ACT AND THE 1940 ACT.

TRADING IN THE WARRANTS HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION PURSUANT TO THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE **"CEA"**).

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR OFFERS, SALES, REOFFERS, RESALES, TRADES, PLEDGES, ASSIGNMENTS, DELIVERIES AND OTHER TRANSFERS, EXERCISES OR REDEMPTIONS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE OFFER, SALE, REOFFER, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR TRANSFER, EXERCISE OR REDEMPTION OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF A WARRANT, THE PURCHASER THEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."

Global Warrants other than Rule 144A Global Warrants and Regulation S/Rule 144A Global Warrants

"THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT, THE GUARANTEE AND, IN CERTAIN CASES, THE SECURITIES TO BE DELIVERED UPON EXERCISE OR SETTLEMENT OF THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **"SECURITIES ACT"**), OR ANY OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR ANY OTHER SECURITIES LAWS. MERRILL LYNCH INTERNATIONAL & CO. C.V., THE ISSUER OF THE WARRANTS, HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **"1940 ACT"**). THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF ANY UNITED STATES PERSON (AS DEFINED HEREIN).

THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT MAY NOT BE OFFERED, SOLD, RESOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED EXCEPT TO A PERSON WHO IS NOT A UNITED STATES PERSON AND WHO IS ACQUIRING THE WARRANTS IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT. FOR THE PURPOSES HEREOF, "**UNITED STATES PERSON**" MEANS A PERSON WHICH IS A "U.S. PERSON" AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT OR A "UNITED STATES PERSON" AS DEFINED IN SECTION 7701(a)(30) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND IN U.S. TREASURY REGULATIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH SUCH ACCOUNT SATISFIES THE REQUIREMENTS SET FORTH IN THE PRECEDING SENTENCE AND ANY OFFER, SALE, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR OTHER TRANSFER, EXERCISE OR REDEMPTION OF ITS INTEREST IN SUCH WARRANTS MAY ONLY BE MADE TO A PERSON SATISFYING THE REQUIREMENTS IN THE PRECEDING SENTENCE. CONSEQUENTLY, ANY OFFER, SALE, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY, TRANSFER, EXERCISE OR REDEMPTION MADE, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A UNITED STATES PERSON SHALL BE ABSOLUTELY NULL AND VOID AB INITIO AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "**DISQUALIFIED TRANSFEREE**") AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR OFFERS, SALES, REALES, TRADES, PLEDGES, ASSIGNMENTS, DELIVERIES AND OTHER TRANSFERS, EXERCISES OR REDEMPTIONS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE OFFER, SALE, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR TRANSFER, EXERCISE OR REDEMPTION OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF A WARRANT, THE PURCHASER THEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."

Regulation S/Rule 144A Global Warrants

"THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT, THE GUARANTEE AND, IN CERTAIN CASES, THE SECURITIES TO BE DELIVERED UPON EXERCISE OR SETTLEMENT OF THE WARRANTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, REOFFERED, RESOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED EXCEPT IN ACCORDANCE WITH THE CONDITIONS (AS DEFINED BELOW) AND THE AGENCY AGREEMENT (AS DEFINED BELOW), AND PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR ANY OTHER SECURITIES LAWS. MERRILL LYNCH INTERNATIONAL & CO. C.V., THE ISSUER OF THE WARRANTS, HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**1940 ACT**").

THE HOLDER OF ANY WARRANTS, AND THE HOLDER OF ANY BENEFICIAL INTEREST IN THE WARRANTS, REPRESENTED BY THIS GLOBAL INSTRUMENT, AGREES BY ITS ACQUISITION HEREOF FOR THE BENEFIT OF THE DEALER, THE ISSUER AND THE GUARANTOR THAT ANY BENEFICIAL INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT MAY BE OFFERED, SOLD, REOFFERED, RESOLD, TRADED, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED ONLY IN ACCORDANCE WITH THE CONDITIONS AND THE AGENCY AGREEMENT AND (1) IN THE CASE THAT THE TRANSFEROR IS NOT A UNITED STATES

PERSON (AS DEFINED HEREIN), TO A PERSON THAT IS NOT A UNITED STATES PERSON AND THAT IS ACQUIRING THE WARRANTS IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; OR (2) IN THE CASE THAT THE TRANSFEROR IS A UNITED STATES PERSON WHO IS A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND A "QUALIFIED PURCHASER" ("**QP**") WITHIN THE MEANING OF SECTION 3(c)(7) AND AS DEFINED IN SECTION 2(a)(51) OF THE 1940 ACT AND THE RULES THEREUNDER, TO OR THROUGH THE ISSUER OR THE DEALER (A) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT AND (B) TO A PERSON IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A UNITED STATES PERSON (i) THAT IS A QIB AND A QP; (ii) THAT IS NOT (a) A DEALER DESCRIBED IN RULE 144A(a)(1)(ii) THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED WITH THE DEALER, (b) A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY BENEFICIARIES OF THE PLAN, (c) AN INVESTMENT COMPANY EXCEPTED FROM THE 1940 ACT PURSUANT TO SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(1) OR SECTION 3(c)(7) THEREOF WITH RESPECT TO ITS U.S. HOLDERS) AND FORMED ON OR PRIOR TO 30 APRIL 1996, THAT HAS NOT RECEIVED THE CONSENT OF EACH OF ITS BENEFICIAL OWNERS WITH RESPECT TO ITS TREATMENT AS A QUALIFIED PURCHASER IN THE MANNER REQUIRED BY SECTION 2(a)(51)(C) OF THE 1940 ACT AND THE RULES THEREUNDER, OR (d) AN ENTITY THAT WILL HAVE INVESTED MORE THAN 40 PER CENT. OF ITS ASSETS IN THE ISSUER'S SECURITIES; (iii) THAT WAS NOT FORMED, REFORMED OR RECAPITALISED FOR THE PURPOSE OF INVESTING IN THE WARRANTS OR OTHER SECURITIES OF THE ISSUER UNLESS EACH OF ITS BENEFICIAL OWNERS IS BOTH A QIB AND A QP WHO WAS NOT SO FORMED; (iv) THAT SUBSCRIBES, ON BEHALF OF ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING OR OTHERWISE ACQUIRING THE WARRANTS (OR BENEFICIAL INTERESTS THEREIN), FOR A MINIMUM NUMBER OF WARRANTS VALUED IN AN AMOUNT OF AT LEAST U.S.\$100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY); (v) THAT WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE; (vi) THAT UNLESS BOTH (I) IT REPRESENTS THAT THE PURCHASE, HOLDING AND DISPOSITION OF THE WARRANTS ARE ELIGIBLE FOR EXEMPTIVE RELIEF UNDER, OR ARE OTHERWISE NOT PROHIBITED BY, SECTION 406 OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), AND SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), OR ANY SUBSTANTIALLY SIMILAR U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW, AND (II) AN OPINION OF COUNSEL OR OTHER COMFORT SATISFACTORY TO THE ISSUER AND THE GUARANTOR IS DELIVERED WHICH AFFIRMS THAT NONE OF THE ACQUISITION, PURCHASE OR HOLDING OF ANY WARRANT WOULD CAUSE ANY ASSETS OF THE ISSUER TO BE TREATED AS "PLAN ASSETS" FOR THE PURPOSES OF ERISA OR ANY REGULATION THEREUNDER (OR ANY SUBSTANTIALLY SIMILAR U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW), IS NOT, AND IS NOT A FIDUCIARY INVESTING ASSETS OF OR ON BEHALF OF, (a) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO TITLE I OF ERISA; (b) A PLAN (AS DEFINED IN SECTION 4975(e)(1) OF THE CODE) THAT IS SUBJECT TO SECTION 4975 OF THE CODE; (c) AN ENTITY WHOSE ASSETS INCLUDE ASSETS OF A PLAN DESCRIBED IN (vi)(a) OR (b) ABOVE BY REASON OF SUCH A PLAN'S INVESTMENT IN THE ENTITY UNDER 29 C.F.R. §2510.3-101 AS MODIFIED BY SECTION 3(42) OF ERISA OR OTHERWISE; OR (d) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE; AND (vii) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL OF THE REQUIREMENTS OF CLAUSES (i) THROUGH (vi). FOR THE PURPOSES HEREOF, "UNITED STATES PERSON" MEANS A PERSON WHICH IS A "U.S. PERSON" AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT OR A "**UNITED STATES PERSON**" AS DEFINED IN SECTION 7701(a)(30) OF THE CODE AND IN U.S. TREASURY REGULATIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THE

WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT SHALL BE REQUIRED TO REPRESENT WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH SUCH ACCOUNT SATISFIES THE REQUIREMENTS SET FORTH ABOVE AND ANY OFFER, SALE, REOFFER, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR OTHER TRANSFER, EXERCISE OR REDEMPTION OF ITS INTEREST IN SUCH WARRANTS MAY ONLY BE MADE TO A PERSON SATISFYING THE REQUIREMENTS ABOVE AND WITH RESPECT TO A PERSON SATISFYING THE REQUIREMENTS OF CLAUSE (2) ABOVE WILL REQUIRE THE SUBMISSION TO THE DEALER OR THE ISSUER OF A DULY COMPLETED INVESTOR REPRESENTATION LETTER EXECUTED FOR THE BENEFIT OF THE DEALER, THE ISSUER AND THE GUARANTOR (TOGETHER WITH THEIR RESPECTIVE AFFILIATES AND ANY PERSONS CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH SUCH DEALER, ISSUER AND GUARANTOR), IN THE FORM AVAILABLE FROM THE DEALER, THE ISSUER OR THE RELEVANT INSTRUMENT AGENT (AS DEFINED IN THE AGENCY AGREEMENT) WITH RESPECT TO ANY INTEREST IN THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT. ANY PURPORTED TRANSFER OF THE WARRANTS, OR ANY INTEREST THEREIN, REPRESENTED BY THIS GLOBAL INSTRUMENT IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID AB INITIO AND SHALL NOT VEST ANY RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A "**DISQUALIFIED TRANSFEREE**"), NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE GUARANTOR, THE INSTRUMENT AGENT OR ANY INTERMEDIARY, AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF SUCH TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

THE HOLDER OF ANY WARRANTS AND THE HOLDER OF ANY BENEFICIAL INTERESTS IN THE WARRANTS REPRESENTED BY THIS GLOBAL INSTRUMENT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM THE RELEVANT CLEARING SYSTEM.

IF REQUESTED BY THE ISSUER, THE GUARANTOR OR BY AN INSTRUMENT AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THE WARRANT IS PERMISSIBLE UNDER THE SECURITIES ACT AND THE 1940 ACT.

TRADING IN THE WARRANTS HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION PURSUANT TO THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "CEA").

THE WARRANTS AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR OFFERS, SALES, REOFFERS, REALES, TRADES, PLEDGES, ASSIGNMENTS, DELIVERIES AND OTHER TRANSFERS, EXERCISES OR REDEMPTIONS OF THE WARRANTS TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE OFFER, SALE, REOFFER, RESALE, TRADE, PLEDGE, ASSIGNMENT, DELIVERY OR TRANSFER, EXERCISE OR REDEMPTION OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF A WARRANT, THE PURCHASER THEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."

- (xxiii) that it will not engage in any hedging transactions with respect to the Warrants unless in compliance with the Securities Act;
- (xxiv) it agrees and acknowledges that in the event that at any time the Principal Warrant Agent determines or is notified by MLICo., the Guarantor or any of their affiliates that (i) a transfer or attempted or purported transfer of any interest in a Warrant was not consummated in compliance with the provisions of W&C Instruments Condition 22 (*Style and Title (Warrants)*) or "Annex 8 – *Additional Terms and Conditions for Rule 144A Warrants*", as applicable, or on the basis of an incorrect form, representation or certification from such investor as set forth herein or in the Investor Representation Letter, (ii) it is in breach at the

time given of any representation or agreement set forth in any certificate or letter or any deemed representation or agreement delivered or deemed to be made by such purchaser, or (iii) a transfer or attempted transfer of any interest in a Warrant was consummated which did not comply with the transfer restrictions set forth in this Base Prospectus, the purported transfer shall be absolutely null and void ab initio and shall not vest any rights in such purported purchaser (being in such case, a "**Disqualified Transferee**") and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a Holder thereof retroactively to the date of the purported transfer of such interest by such Holder;

- (xxv) that MLICo., the Guarantor and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify MLICo. and the Guarantor; and if it is acquiring any Warrants as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- (xxvi) it understands that each Rule 144A Global Warrant held through DTC shall also bear the following legend:

"UNLESS THIS GLOBAL INSTRUMENT IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("**DTC**"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY GLOBAL INSTRUMENT ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN."

MERRILL LYNCH B.V.

History and Business

Merrill Lynch B.V. ("MLBV") was incorporated on 12 November 2012 as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law. On 31 December 2012, effective as of 1 January 2013, MLBV merged with Merrill Lynch S.A. ("MLSA") by means of a cross border merger, whereby MLSA was the disappearing entity, and MLBV was the acquiring entity (the "**Merger**"). Pursuant to the Merger, MLBV acquired all assets and liabilities of MLSA at the time of the Merger by operation of law under universal title of succession (*onder algemene titel*). MLBV is wholly-owned by Merrill Lynch International Incorporated, which, in turn, is wholly-owned by NB Holdings Corporation, whose ultimate parent is Bank of America Corporation ("BAC"). MLBV does not hold any of its own shares.

MLBV is part of BAC's group and transacts with, and depends on, entities within such group accordingly.

The objects of MLBV are set out in Article 3 of its Articles of Association and include, *inter alia*, to finance businesses and companies, and to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities. The objects of MLBV also include, *inter alia*, to incorporate, to participate in any way whatsoever in, to manage and to supervise businesses and companies.

Principal Activities

The main activity of MLBV consists of issuing notes, certificates and other securities to investors, the proceeds of which are loaned to, or placed on deposit with, Group companies.

MLBV's accounting year coincides with the calendar year.

Registered Office and Register of Commerce and Companies

MLBV's registered office is at Amstelplein 1, Rembrandt Tower 11th Floor, 1096 HA Amsterdam, The Netherlands, with telephone number (+31 (0)2 0575 5600) and it is registered with the Trade Register of the Dutch Chamber of Commerce (*handelsregister van de Kamer van Koophandel*) in Amsterdam, The Netherlands, under number 56457103.

The registered office of MLBV is located in The Netherlands where the Directors hold all of their Board Meetings.

Principal Markets in which MLBV Competes

The main markets in which MLBV issues and sells securities are the Eurobond markets.

Trend Information

There are no known trends affecting MLBV and the industries in which it operates.

Directors

The Board of Directors of MLBV is charged with the management of MLBV. Set forth below are the names and titles of MLBV's Directors:

Director	Title
Armstrong E. Okobia	Director A
Angela C. Jones	Director B

The business address of the Directors of MLBV is Amstelplein 1, Rembrandt Tower, 11th Floor, 1096 HA Amsterdam, The Netherlands.

There are no potential conflicts of interest between any duties to MLBV and their private interests or other duties of the Directors of MLBV.

There are no principal activities performed by the Directors of MLBV outside MLBV which are significant to MLBV as issuer.

Corporate Governance

MLBV has complied in all material respects with the corporate governance regime of The Netherlands and all applicable provisions of Dutch law.

Share Capital

The issued and paid-up share capital of MLBV is U.S.\$129.98, consisting of 12,998 registered ordinary shares with a nominal value of U.S.\$0.01 each.

Dividends

In 2014, MLBV declared a dividend of U.S.\$15,847,000. In 2015, MLBV declared a dividend of U.S.\$15,847,000.

Rating

As at the date of this Base Prospectus, MLBV's long-term senior debt is rated A (Negative) by Fitch.

According to Fitch, an obligation rated A by Fitch is considered high credit quality and indicates that expectations of default risk are low. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. Rating Outlooks indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue. Positive or Negative rating Outlooks do not imply that a rating change is inevitable and, similarly, ratings with Stable Outlooks can be raised or lowered without a prior revision to the Outlook, if circumstances warrant such an action.¹

Credit ratings and outlooks may be adjusted over time, and so there is no assurance that these credit ratings and outlooks will be effective after the date of this Base Prospectus. A credit rating is not a recommendation to buy, sell or hold any Instruments.

¹ Source: Fitch Ratings – *Definitions of Ratings and Other Forms of Opinion* – December 2014

SELECTED FINANCIAL DATA OF MERRILL LYNCH B.V.

The Dutch Civil Code requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), including suitable IFRS comparatives for the prior year as required on the first time adoption of IFRS.

STATEMENT OF COMPREHENSIVE INCOME

The following table contains MLBV's Statement of Comprehensive Income for the years ended 31 December 2014 and 31 December 2013, extracted from the MLBV 2014 Accounts and MLBV 2013 Accounts.

	Year ended 31 December	
	2014	2013
	\$'000	\$'000
Net gain/(loss) on financial instruments held for trading.....	67,839	212,180
Net gain/(loss) on financial instruments designated at fair value through profit or loss	(86,638)	(313,004)
Interest income.....	66,175	75,004
Operating income	567	-
Operating profit/(loss) before tax.....	47,943	(30,820)
Administrative expenses	(575)	(116)
Total profit/(loss) before tax	47,368	(30,936)
Tax credit/(charge)	(7,786)	11,539
Profit/(loss) for the period.....	39,582	(19,397)
Other comprehensive income	-	-
Total comprehensive income/(loss)	39,582	(19,397)

STATEMENT OF FINANCIAL POSITION

The following table contains MLBV's Statement of Financial Position as at 31 December 2014 and 31 December 2013, extracted from the MLBV 2014 Accounts.

	31 December 2014 \$'000	31 December 2013 \$'000
ASSETS		
Non-current assets		
Amounts owed by affiliated undertakings	2,205,319	2,921,262
Financial assets designated at fair value through profit or loss	319,662	548,835
Financial instruments held for trading	84,665	193,154
Deferred tax asset	-	6,732
Total non-current assets	2,609,646	3,669,983
Current assets		
Amounts owed by affiliated undertakings	414,499	544,249
Financial assets designated at fair value through profit or loss	48,252	26,150
Financial instruments held for trading	80,972	44,603
Total current assets	543,723	615,002
Total assets	3,153,369	4,284,985
EQUITY AND LIABILITIES		
Equity		
Issued share capital	0	0
Share premium	2,771	2,771
Preferred share capital	750,000	750,000
Retained earnings	32,797	9,062
Total equity attributable to the owners of the company	785,568	761,833
Non-current liabilities		
Financial liabilities designated at fair value through profit or loss	1,842,733	2,824,747
Financial instruments held for trading	27,050	103,262
Deferred tax liability	555	-
Total non-current liabilities	1,870,338	2,928,009
Current liabilities		
Financial liabilities designated at fair value through profit or loss	419,076	465,446
Amounts owed to affiliated undertakings	47,006	72,539
Financial instruments held for trading	26,685	39,310
Dividend payable	3,994	15,847
Income tax payable	602	1,885
Accrued expenses and other liabilities	100	116
Total current liabilities	497,463	595,143
Total liabilities	2,367,801	3,523,152
Total equity and liabilities	3,153,369	4,284,985

STATEMENT OF CHANGES IN EQUITY

The following tables contain MLBV's Statement of Changes in Equity as at 31 December 2014 and 31 December 2013, extracted from the MLBV 2014 Accounts.

Movements in shareholders' equity during the year ended 31 December 2014 are as follows:

	Issued share capital	Other reserves	Other equity capital	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000
Balance at 31 December 2013	0	2,771	750,000	9,062	761,833
Profit/(loss) for the year	-	-	-	39,582	39,582
Dividends declared	-	-	-	(15,847)	(15,847)
Other comprehensive income	-	-	-	-	-
Balance at 31 December 2014	0	2,771	750,000	32,797	785,568

Movements in shareholders' equity during the year ended 31 December 2013 are as follows:

	Issued share capital	Other reserves	Other equity capital	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000
Balance at 31 December 2012	2,771	-	--	44,306	47,077
Profit/(loss) for the year	-	-	-	(19,397)	(19,397)
Additions	-	-	750,000	-	750,000
Dividends declared	-	-	-	(15,847)	(15,847)
Transfers	(2,771)	2,771	-	-	-
Other comprehensive income	-	-	-	-	-
Balance at 31 December 2013	0	2,771	750,000	9,062	761,833

MERRILL LYNCH INTERNATIONAL & CO. C.V.

Overview

Merrill Lynch International & Co. C.V. ("**MLICo.**") is a Curaçao limited partnership of unlimited duration organised under the laws of Curaçao which commenced operation on 1 August 1975 and was registered on 1 August 1975 under registered number 11705 in the Commercial Register of the Chamber of Commerce and Industry in Curaçao. MLICo. complies with the Curaçao corporate governance regime. MLICo. engages primarily in the issuance of warrants and related financial instruments and the distribution of managed fund products. Bank of America Corporation ("**BAC**") is the ultimate parent of MLICo. as further described below under "Partners".

MLICo. is part of BAC's group and transacts with, and depends on, entities within such group accordingly.

MLICo.'s registered office and business address is at Kaya W.F.G. (Jombi) Mensing 36, Curaçao. The telephone number of MLICo. is 00 (5999) 4611299.

The objects of MLICo. are set out in Article 3 of MLICo.'s Partnership Agreement, and include purchasing, selling and underwriting securities. MLICo.'s Partnership Agreement is available as part of its constitutional documents as described in "General Information". There are no recent events which are to a material extent relevant to the evaluation of MLICo.'s solvency. MLICo. has made no principal investments since 31 December 2011 and the management body of MLICo. has made no firm commitments for any future principal investments, in each case, other than issuing W&C Instruments and, if applicable, entering into related arrangements.

Principal Activities

The principal activities of MLICo. are the issuance of warrants, certificates and related financial instruments, and distribution of Merrill Lynch managed funds and other managed fund products.

MLICo.'s total capital amounts to U.S.\$500,128,000, of which U.S.\$500,010,000 has been contributed by the General Partner and U.S.\$118,000 has been contributed by the Limited Partner.

Principal Markets in which MLICo. Competes

MLICo. principally issues securities in the international securities markets.

Trend Information

There are no known trends affecting MLICo. and the industries in which it operates.

Partners

ML Cayman Holdings Inc., a corporation organised under the laws of the State of Delaware in the United States, is the General, Managing and Directing Partner ("**General Partner**") of MLICo. Merrill Lynch International Services Limited ("**Limited Partner**"), a Canadian company, is the Limited Partner. Neither the General Partner nor the Limited Partner engages in any other activities other than being the General Partner or the Limited Partner of MLICo. as applicable.

The General Partner is vested with the power to direct the financial and business policies of MLICo. The General Partner determines the use and disposition of surplus and net profits.

The Limited Partner is indirectly wholly-owned by BAC.

The General Partner is wholly-owned by Merrill Lynch International Incorporated which, in turn, is wholly-owned by NB Holdings Corporation which, in turn, is wholly-owned by BAC. Merrill Lynch International Incorporated is a corporation organised under the laws of the State of Delaware in the United States.

The Directors of the General Partner are:

Name	Title
Bruce Blanco	Director
Debra Zachter	Director

The President of the General Partner is:

Name	Title
Angel Alvarez	President

The above Directors and President are BAC group employees.

The registered address of the General Partner, its Directors and its President is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States.

The Director of the Limited Partner is:

Name	Title
Gordon Weir	Director

The above Director is a BAC group employee.

The registered address of the Limited Partner and its Director is 129 Water Street, Box 38, Charlottetown, Prince Edward Island, Canada C1A 1A8.

There are no potential conflicts of interest between any duties to MLICo. of the General Partner or the Limited Partner and their private interest and/or other duties.

There are no principal activities performed by the Directors outside MLICo. which are significant to MLICo. as issuer.

Corporate Governance

MLICo. has complied in all material respects with the corporate governance regime of Curaçao and all applicable provisions of Curaçao law.

SELECTED FINANCIAL DATA OF MERRILL LYNCH INTERNATIONAL & CO. C.V.

PROFIT AND LOSS ACCOUNT

For the years ended 31 December 2014 and 31 December 2013

The following table contains MLICo.'s Profit and Loss Account as at 31 December 2014 and 31 December 2013, extracted from MLICo.'s audited financial statements.

	31 December 2014	31 December 2013
	U.S.\$'000	U.S.\$'000
TURNOVER	127,551	234,631
OPERATING LOSS	(22,960)	(6,409)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2,148	10,408
PROFIT FOR THE PERIOD BEFORE PARTNER'S PROFIT ALLOCATION	2,148	10,274
GENERAL PARTNER'S PROFIT ALLOCATION	(2,148)	(10,274)
RESULT FOR THE PERIOD AFTER PARTNER'S PROFIT ALLOCATION	-	-

Turnover and operating loss derive wholly from continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

BALANCE SHEET

As at, 31 December 2014 and 31 December 2013

The following table contains MLICo.'s Balance Sheet as at 31 December 2014 and 31 December 2013, extracted from MLICo.'s audited financial statements.

	31 December 2014	31 December 2013
	<u>U.S.\$'000</u>	<u>U.S.\$'000</u>
FIXED ASSETS	-	5
CURRENT ASSETS	10,927,325	9,459,465
CREDITORS	10,927,325	9,459,470
NET CURRENT LIABILITIES	-	(5)
NET ASSETS	<u>-</u>	<u>-</u>

BANK OF AMERICA CORPORATION

Bank of America Corporation ("**BAC**") is a Delaware corporation, a bank holding company, and a financial holding company. BAC was incorporated on 31 July 1998 (for an unlimited duration) as a part of the merger of BankAmerica Corporation with NationsBank Corporation. BAC was initially registered with the State of Delaware, Secretary of State, Division of Corporations on 31 July 1998 under registration number 2927442. BAC operates under the General Corporation Law of the State of Delaware, Title 8 of the Delaware Code 1953, sections 101 through 398, known as the "Delaware General Corporation Law". BAC's registered office in Delaware is at the Corporation Trust Company, Corporate Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States. BAC's headquarters and principal place of business are located at 100 North Tryon Street, Charlotte, North Carolina 28255, United States, telephone number (704) 386-5681. BAC's objects and purposes are to engage in any lawful act or activity for which corporations may be organised and incorporated in the General Corporation Law of the State of Delaware, as specified in paragraph 2 of BAC's Amended and Restated Certificate of Incorporation.

Business Segment Operations

Through its banking and various non-bank subsidiaries throughout the United States and in international markets, BAC provides a diversified range of banking and non-bank financial services and products through five business segments: (1) *Consumer Banking*, (2) *Global Wealth & Investment Management*, (3) *Global Banking*, (4) *Global Markets* and (5) *Legal Assets & Servicing*, with the remaining operations recorded in *All Other*.

Board of Directors

As of the date of this Base Prospectus, the Directors of BAC are:

Director	Function	Principal Activities Outside of BAC
Brian T. Moynihan	Chairman of the Board and Chief Executive Officer, BAC	None
Jack O. Bovender, Jr.	Lead Independent Director; non-employee director	Former Chairman and Chief Executive Officer, HCA, Inc.
Sharon L. Allen	Non-employee director	Former Chairman, Deloitte LLP Current Member of Board of Directors of First Solar, Inc. and AB Acquisition LLC
Susan S. Bies	Non-employee director	Former Member, Board of Governors of the Federal Reserve System Current Member of Board of Directors of Zurich Insurance Group Ltd. Senior Advisory Board Member to Oliver Wyman Group, a subsidiary of Marsh & McLennan Companies, Inc.
Frank P. Bramble, Sr.	Non-employee director	Former Executive Officer,

Director	Function	Principal Activities Outside of BAC
		MBNA Corporation
		Former Interim President of Calvert Hall College High School (Baltimore MD)
Pierre J. P. de Weck	Non-employee director	Former Chairman and Global Head of Private Wealth Management of Deutsche Bank AG
Arnold W. Donald.....	Non-employee director	President and Chief Executive Officer of Carnival Corporation and Carnival plc
		Current Member of Board of Directors of Carnival Corporation, Carnival plc and Crown Holdings Inc.
Charles K. Gifford.....	Non-employee director	Former Chairman of the Board of Directors, BAC
		Current Member of Board of Directors of CBS Corporation and Eversource Energy (formerly known as Northeast Utilities)
Linda P. Hudson.....	Non-employee director	Chairman and Chief Executive Officer, the Cardea Group, LLC
		Former President and Chief Executive Officer, BAE Systems, Inc.
		Current Member of Board of Directors of The Southern Company and Ingersoll-Rand Public Limited Company
Monica C. Lozano.....	Non-employee director	Chairman and Former Chief Executive Officer, ImpreMedia, LLC
		Current Chairman of the Board of Directors of US Hispanic Media Inc. and Member of Board of Directors of The Walt Disney Company
Thomas J. May.....	Non-employee director	Chairman, President and Chief Executive Officer, Eversource Energy (formerly known as Northeast Utilities)

Director	Function	Principal Activities Outside of BAC
		Current Member of Board of Directors of Eversource Energy (formerly known as Northeast Utilities) and Liberty Mutual Holding Company, Inc.
Lionel L. Nowell, III	Non-employee director	Former Senior Vice President and Treasurer of PepsiCo, Inc. Current Member of Board of Directors of Darden Restaurants, Inc., Reynolds American Inc. and American Electric Power Company, Inc.
R. David Yost.....	Non-employee director	Former Chief Executive Officer, AmerisourceBergen Corporation Current Member of Board of Directors of Marsh & McLennan Companies, Inc. and Tyco International plc.

The business address of each Director is 100 North Tryon Street, Charlotte, North Carolina 28255, United States.

No potential conflicts of interest exist between the duties to BAC of the members of the Board of Directors, as listed above, and their private interests and/or other duties.

Subsidiaries

BAC acts as the holding company of over 1,160 subsidiary undertakings worldwide which are all operative within the financial services sector. Details of BAC's principal subsidiary, an indirect, wholly-owned subsidiary of BAC, are set out below:

Name	Address	Principal Activity
Bank of America, N.A.	100 North Tryon Street Suite 170 Charlotte, North Carolina 28202	Commercial and consumer banking

Dependency Statement

BAC, as parent company, depends on dividends, distributions and other payments from its banking and non-bank subsidiaries to fund dividend payments on its common stock and preferred stock and to fund all payments on its other obligations, including debt obligations. There are legal and other limitations on BAC's ability to utilise liquidity from one legal entity to satisfy the liquidity requirements of another, including the parent company.

Trend Information

In the United States, economic growth rebounded in the second quarter of 2015, as the first-quarter 2015 adverse impacts of severe winter weather and other temporary factors receded. Capital spending grew slowly, while nonresidential construction picked up. In addition, led by a surge in vehicle sales, retail spending increased, partially supported by solid employment gains and lower energy costs. Housing indicators also improved during the second quarter 2015. The U.S. Dollar stabilised but the

impact of its recent strengthening contributed to continued export weakness during the second quarter 2015.

Payroll gains increased modestly following a first-quarter 2015 slowdown, while wage gains remained historically low. The unemployment rate continued to fall, ending the second quarter 2015 at 5.3 per cent. A limited rebound in energy costs drove inflation during the second quarter 2015; however, core inflation (excluding food and energy) remained well below the Board of Governors of the Federal Reserve System's (the "**Federal Reserve**") longer-term annual target of two per cent.

While the Federal Reserve has continued to indicate that it would likely be appropriate to raise the target range for the federal funds rate, BAC believes the Federal Reserve is unlikely to actually raise the target until late in the third quarter 2015 at the earliest. Furthermore, the Federal Open Market Committee has indicated that it expects a more gradual firming of monetary policy once tightening is underway. Longer-term U.S. Treasury yields moved higher during the second quarter 2015 while equities remained relatively unchanged.

Internationally, economic growth continued in the eurozone, where certain nations benefited from quantitative easing and a weaker euro. In addition, 2014's energy cost declines have continued to support solid domestic demand growth in Japan, while Russia and Brazil remain in recession. Heightened concern about China surrounded its substantial equity market declines, which persisted even with direct government intervention. Lower commodity prices have also pressured Latin American economies. Puerto Rico's debt problems remain a concern, although it avoided default at the end of the second quarter 2015 and is currently preparing a new fiscal plan. As the second quarter 2015 ended, attention was directed toward Greece; however, financial markets remained stable through the end of the second quarter 2015, and subsequently reacted positively to news of a potential settlement and bailout in exchange for austerity measures. Despite heightened economic uncertainty surrounding Greece, BAC does not currently anticipate widespread contagion from a potential Greek default or eurozone exit.

For additional information regarding trends and events impacting BAC's businesses and results of operations, see Management's Discussion and Analysis of Financial Condition and Results of Operations ("**MD&A**") on pages 22 through 139, inclusive, of the BAC 2014 Annual Report; the MD&A on pages 3 through 118, inclusive, of the First Quarter 2015 Form 10-Q Quarterly Report; and the MD&A on pages 3 through 132, inclusive, of the Second Quarter 2015 Form 10-Q Quarterly Report.

Board Practices

Audit Committee

BAC's Audit Committee, which currently consists of five independent members of BAC's Board of Directors, assists BAC's Board of Directors in the oversight of the qualifications, performance and independence of BAC's registered independent public accounting firm; the performance of BAC's corporate audit function; the integrity of BAC's consolidated financial statements; BAC's compliance with legal and regulatory requirements; and makes inquiries of management or the Corporate General Auditor to determine whether there are scope or resource limitations that impede the ability of Corporate Audit to execute its responsibilities. The Audit Committee is also responsible for overseeing compliance risk pursuant to the New York Stock Exchange listing standards.

The members of the Audit Committee are Sharon L. Allen (Chair), Susan S. Bies, Pierre J. P. de Weck, Lionel L. Nowell, III and R. David Yost.

Corporate Governance

BAC has complied in all material respects with the corporate governance regime of the State of Delaware and all applicable provisions of Delaware General Corporation Law.

Ratings

As at the date of this Base Prospectus, BAC's long-term senior debt is rated Baa1 (Stable) by Moody's, A- (Negative) by S&P and A (Stable) by Fitch.

According to Moody's, an obligation rated Baa by Moody's is judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. A Moody's rating outlook is an opinion regarding the likely rating direction over the medium term. A stable outlook indicates a low likelihood of a rating change over the medium term.¹

According to S&P, an obligation rated A by S&P is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories; however, the obligor's capacity to meet its financial commitment on the obligation is still strong. S&P's ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. A S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. Negative means that a rating may be lowered.²

According to Fitch, an obligation rated A by Fitch is considered high credit quality and indicates that expectations of default risk are low. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. Rating outlooks indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue. Positive or negative rating outlooks do not imply that a rating change is inevitable and, similarly, ratings with stable outlooks can be raised or lowered without a prior revision to the outlook, if circumstances warrant such an action.³

Credit ratings and outlooks may be adjusted over time, and so there is no assurance that these credit ratings and outlooks will be effective after the date of this Base Prospectus. A credit rating is not a recommendation to buy, sell or hold any Instruments.

¹ Source: Moody's Investors Service - *Rating Symbols and Definitions* (August 2014)

² Source: Standard & Poor's *Ratings Definitions* (20 November 2014)

³ Source: Fitch Ratings – *Definitions of Ratings and Other Forms of Opinion* – December 2014

SELECTED FINANCIAL DATA OF BANK OF AMERICA CORPORATION

The following table contains BAC's selected financial data as of 31 December 2014 and 2013, and for each of the years in the three years ended 31 December 2014, extracted from BAC's audited financial statements as of and for the six months ended 30 June 2015 and 2014, extracted from BAC's unaudited financial statements, which were prepared in conformity with accounting principles generally accepted in the United States. BAC's unaudited financial statements include all adjustments, consisting only of normal recurring accruals, that BAC considers necessary for a fair statement of its financial position and its results of operations as of such dates and for such periods. Results for the six months ended 30 June 2015 are not necessarily indicative of results that might be expected for any other interim period or for the year as a whole. Certain prior period amounts have been reclassified to conform to current period classifications.

	Six months ended June 30		Year ended December 31		
	2015	2014	2014	2013	2012
	(Unaudited)				
Income statement:	(Dollars in millions, except number of shares and per share information)				
Interest income	\$25,095	\$25,876	\$50,886	\$55,020	\$57,400
Interest expense	5,156	5,778	10,934	12,755	16,744
Net interest income	19,939	20,098	39,952	42,265	40,656
Noninterest income	23,380	24,215	44,295	46,677	42,678
Total revenue, net of interest expense	43,319	44,313	84,247	88,942	83,334
Provision for credit losses	1,545	1,420	2,275	3,556	8,169
Noninterest expense	29,513	40,779	75,117	69,214	72,093
Income before income taxes	12,261	2,114	6,855	16,172	3,072
Income tax expense	3,584	99	2,022	4,741	(1,116)
Net income	8,677	2,015	4,833	11,431	4,188
Net income applicable to common shareholders	7,965	1,521	3,789	10,082	2,760
Average common shares issued and outstanding (in thousands)	10,503,379	10,539,769	10,527,818	10,731,165	10,746,028
Average diluted common shares issued and outstanding (in thousands)	11,252,417	10,599,641	10,584,535	11,491,418	10,840,854
Per common share information:					
Earnings	\$0.76	\$0.14	\$0.36	\$0.94	\$0.26
Diluted earnings	0.72	0.14	0.36	0.90	0.25
Dividends paid	0.10	0.02	0.12	0.04	0.04

	June 30		December 31	
	2015	2014	2014	2013
	(Unaudited)			
Balance Sheet (year end):	(Dollars in millions, except percentages)			
Total loans and leases	\$886,449	\$911,899	\$881,391	\$928,233
Total assets	2,149,034	2,170,557	2,104,534	2,102,273
Total deposits	1,149,560	1,134,329	1,118,936	1,119,271
Long-term debt	243,414	257,071	243,139	249,674
Total shareholders' equity	251,659	237,411	243,471	232,685
Allowance for loan and lease losses as a percentage of total loans and leases outstanding ¹	1.49 %	1.75 %	1.65 %	1.90 %
Total ending equity to total ending assets	11.71 %	10.94 %	11.57 %	11.07 %

1. Outstanding loan and lease balances and ratios do not include loans accounted for under the fair value option.

Share Capital

As of 30 June 2015, the issued and outstanding common stock of BAC equalled 10,471,836,636 shares, \$0.01 par value, fully paid, which shares and additional paid in capital equalled approximately \$152.6 billion. As at the date of this Base Prospectus, the authorised common stock of BAC is 12,800,000,000 shares.

As of 30 June 2015, the issued and outstanding preferred stock of BAC equalled 3,767,790 shares, \$0.01 par value, fully paid, with an aggregate liquidation preference of approximately \$22.3 billion. The authorised preferred stock of BAC is 100,000,000 shares.

Principal Shareholders

BAC is a U.S. publicly-traded company. The principal market on which BAC's common stock is traded is the New York Stock Exchange. BAC's common stock is also listed on the London Stock Exchange, and certain shares are listed on the Tokyo Stock Exchange. To the extent known to BAC, no shareholder owns enough shares of BAC's common stock to directly or indirectly exercise control over BAC.

Dividends

The following cash dividends per share of common stock of BAC were paid for each of the five consecutive fiscal years ended 31 December:

Fiscal Year	Dividend per share
2014	\$0.12
2013	\$0.04
2012	\$0.04
2011	\$0.04
2010	\$0.04

ERISA MATTERS

Any discussion of United States federal tax issues set forth in this Base Prospectus was written in connection with the promotion and marketing of the Instruments by MLBV, MLICo., BAC, the Dealers and the Managers (as applicable). Such discussion was not intended or written to be legal or tax advice to any person and was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any United States federal tax penalties that may be imposed on such person. Each person considering an investment in the Instruments should seek advice based on its particular circumstances from an independent tax advisor.

BAC and certain affiliates of BAC may each be considered a "party in interest" within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or a "disqualified person" within the meaning of the Code with respect to employee benefit plans subject to Section 406 of ERISA and individual retirement accounts, Keoghs and other plans subject to Section 4975 of the Code (collectively, "**Covered Plans**"), or to have a similar relationship with governmental, church or non-U.S. plans that are subject to U.S. federal, state, local or non-U.S. laws that are substantially similar to Section 406 of ERISA or Section 4975 of the Code (collectively, "**Other Plans**"). Certain transactions between such a Covered Plan and a party in interest or disqualified person may result in "prohibited transactions" within the meaning of ERISA and the Code, and certain transactions between an Other Plan and a person with a similar relationship to an Other Plan may be similarly prohibited under other U.S. federal, state, local or non-U.S. laws, unless such transactions are effected pursuant to an applicable exemption.

In addition, certain regulatory requirements applicable under ERISA could cause investments by a Covered Plan in the Instruments (whether directly or indirectly) to be deemed to include not only the purchased Instruments but also an undivided interest in each of the underlying assets of the relevant Issuer. In the absence of an applicable exception to this general rule, the relevant Issuer could be considered to hold assets of the investing Covered Plan ("**plan assets**") such that the relevant Issuer and persons providing services in connection with such plan assets might be considered "parties in interest" or "disqualified persons" with respect to the investing Covered Plan and could be governed by the fiduciary responsibility provisions of Title I of ERISA and subject to the prohibited transaction provisions referenced above. If this were the case, certain actions taken by the relevant Issuer or service provider regarding those plan assets could be deemed to be a breach of such Issuer's or service provider's fiduciary obligations under Title I of ERISA or a prohibited transaction under ERISA or the Code. Similarly, investments by an Other Plan in the Instruments (whether directly or indirectly) may cause the relevant Issuer to be considered to hold assets of the investing Other Plan pursuant to other U.S. federal, state, local or non-U.S. laws and subject the relevant Issuer and persons providing services in connection with such assets to similar fiduciary and prohibited transaction requirements pursuant to such laws.

Under ERISA and various prohibited transaction class exemptions ("**PTCEs**") issued by the U.S. Department of Labor, exemptive relief may be available for direct or indirect prohibited transactions resulting from the purchase, holding or disposition of the Instruments by or on behalf of, or with the plan assets of, Covered Plans. Those exemptions include PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts), and PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers). In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide statutory exemptive relief for certain arm's-length transactions with a person that is a party in interest solely by reason of providing services to employee benefit plans or being an affiliate of such a service provider. There may be similar exemptive relief under other U.S. federal, state, local or non-U.S. laws for transactions by or on behalf of, or with the assets of, Other Plans.

Because BAC and certain of its affiliates may be considered a party in interest or disqualified person with respect to many Covered Plans, or a person with a similar relationship to many Other Plans, the Instruments may not be purchased, held or disposed of by any Covered Plan or Other Plan, any entity whose underlying assets include plan assets by reason of any Covered Plan's investment in the entity or assets of an Other Plan by reason of any Other Plan's investment in the entity, or any person investing on behalf of or with plan assets of any Covered Plan or on behalf of or with assets of any Other Plan, unless such purchase, holding or disposition is eligible for statutory or administrative exemptive relief

or such purchase, holding or disposition is otherwise not prohibited. Any purchaser, including any fiduciary purchasing on behalf of a Covered Plan or Other Plan, transferee or holder of the Instruments will be deemed to have represented, in its corporate and its fiduciary capacity, by its purchase and holding of the securities that either (a) it is not a Covered Plan or Other Plan or an entity whose underlying assets include plan assets by reason of any Covered Plan's investment in the entity or an entity whose underlying assets include assets of an Other Plan by reason of any Other Plan's investment in the entity, and is not purchasing such securities on behalf of or with plan assets of any Covered Plan or on behalf of or with any assets of an Other Plan; or (b) its purchase, holding and disposition are eligible for exemptive relief or such purchase, holding and disposition are not prohibited by ERISA or Section 4975 of the Code (or in the case of an Other Plan any substantially similar U.S. federal, state, local or non-U.S. law). In addition, any acquisition, purchase or holding of the Instruments by or on behalf of any Covered Plan or Other Plan, or with the plan assets of any Covered Plan or assets of any Other Plan, may be conditioned on BAC and the relevant Issuer's obtaining comfort to its or their satisfaction that such acquisition, purchase or holding will not cause any assets of the relevant Issuer to be treated as plan assets for the purposes of ERISA or any regulation thereunder (or in the case of an Other Plan, as assets of the Other Plan under any other U.S. federal, state, local or non-U.S. law).

A fiduciary purchasing Instruments on behalf of or with plan assets of any Covered Plan should determine whether the investment is in accordance with the documents and instruments governing the plan and the applicable provisions of ERISA and the Code relating to a fiduciary's duties to the plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA and the Code. A person purchasing Instruments on behalf of or with assets of an Other Plan should make the same determination in light of any U.S. federal, state, local or non-U.S. laws applicable to such plan. Due to the complexity of the rules discussed in this section and the penalties that may be imposed upon persons involved in fiduciary breaches or non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing Instruments on behalf of or with plan assets of any Covered Plan (or on behalf of or with assets of any Other Plan) consult with their legal and tax counsel regarding the potential consequences of the investment and the availability of exemptive relief.

TAXATION

The following comments are of a general nature and apply only to the jurisdiction stated, are based on the Issuers' understanding of current law and practice and are included in this Base Prospectus solely for information purposes. These comments are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of a holder of an instrument that is either a Note, Warrant or Certificate will depend for each issue on the terms of the Notes, Warrants or Certificates, as specified in the "Terms and Conditions of the Notes" or the "Terms and Conditions of the W&C Instruments" (as applicable), as completed by the applicable Final Terms under the law and practice at the relevant time. Prospective holders of Notes, Warrants or Certificates should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment in relation to such Notes, Warrants or Certificates.

UNITED STATES FEDERAL INCOME TAXATION

General

Except with respect to the discussion under "Rule 144A Warrants subject to LEPW Conditions" below, the following is a summary of certain United States federal income tax considerations applicable to an investment in the Instruments by holders who are United States Aliens (as defined in the "Terms and Conditions of the Notes") who are the original purchasers of the Instruments and who have not purchased, and do not hold, the Instruments in connection with a United States trade or business. For purposes of the following discussion, it is assumed that no Instruments in bearer form are issued other than Certificates and Warrants cleared through Clearstream, Frankfurt which will be treated as in registered form for United States federal income tax purposes.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds the Instruments, the United States federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding the Instruments should consult its own tax advisor regarding the United States federal income tax consequences to the partner of the acquisition, ownership and disposition by the partnership of the Instruments. In addition, this summary is for general information only, and does not purport to discuss all aspects of United States federal income taxation that may be important to a particular holder in light of its circumstances or to holders subject to special tax rules, such as trusts, estates, controlled foreign corporations, passive foreign investment companies, personal holding companies, or the beneficiaries or shareholders of such entities.

United States Aliens

While the United States federal income and withholding tax treatment of an Instrument will generally depend on the particular terms of such Instrument, the Issuer, except as indicated below generally does not intend to withhold United States federal income tax with respect to payments (other than payments treated as dividends or "dividend equivalents" pursuant to United States federal income tax law), including payments of principal and interest (including original issue discount), if any, by the Issuer or any Paying Agent or Instrument Agent (acting in its capacity as such) outside the United States to any holder of an Instrument who is a United States Alien.

Special rules may apply to payments treated as contingent interest or as dividends for certain United States federal income tax purposes.

Special rules may apply to the extent that any portion of a payment is treated as a dividend or "dividend equivalent" for certain United States federal income tax purposes. The Issuer (or an applicable withholding agent) will withhold on such payments to the extent required by law. A dividend equivalent payment is treated as a dividend from sources within the United States and such payments generally would be subject to a 30 per cent. United States withholding tax (or less under an applicable treaty, if any) if paid to a United States Alien holder. Under proposed U.S. Treasury regulations issued pursuant to Code Section 871(m), payments with respect to equity-linked instruments ("ELIs") that are "specified ELIs" may be treated as dividend equivalents if such specified ELIs reference an interest in a U.S. "underlying security", which is generally any interest in an entity taxable as a corporation for U.S. federal income tax purposes if a payment with respect to such interest could give rise to a U.S. source dividend. The proposed regulations would also generally apply to U.S. and non-U.S. indices that

contain U.S. underlying securities. While the proposed regulations provide an exception for indices that satisfy certain criteria from being treated as a U.S. underlying security, the scope of this exception is unclear and may not apply to Instruments linked to a U.S. or non-U.S. index. A specified ELI is an ELI that has a "delta" equal to 0.70 or greater with respect to a U.S. underlying security at the time it is acquired. The proposed regulations provide that the delta of an ELI is the ratio of the change in the fair market value of the ELI to the change in the fair market value of the property referenced by the ELI. The proposed regulations are extremely complex, and significant aspects of the application of the proposed regulations to the Instruments are uncertain. If adopted in their current form, the regulations would impose a withholding tax on payments made (or deemed to have been made) on the Instruments on or after 1 January 2016 to the extent that they are treated as dividend equivalents (the amount of which is generally determined by reference to the actual dividend amount on the U.S. underlying security), even if no actual payments have been made on the Instruments. However, the U.S. Department of the Treasury (the "**U.S. Treasury**") and the United States Internal Revenue Service (the "**IRS**") have announced that they intend to limit this withholding to ELIs issued on or after the date that is 90 days after the date of publication in the U.S. Federal Register of final regulations addressing dividend equivalent withholding. If any payments are treated as dividend equivalents subject to withholding, the Issuer (or an applicable withholding agent) would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld.

Neither the Issuer nor the Guarantor assumes any liability for the payment of any tax which it is required to withhold or any additional amount in respect thereof, except that in certain circumstances set forth in Condition 8 (*Taxation*) of the "Terms and Conditions of the Notes", additional amounts may be paid with respect to a Note in connection with taxes. The United States federal income and withholding tax consequences of certain Instruments linked to Underlying Asset(s) are uncertain. No statutory, judicial, or administrative authority directly addresses the characterisation of such Instruments or securities similar to such Instruments for United States federal income, withholding, or other tax purposes. All holders should consult their tax advisors regarding the United States federal income and withholding tax consequences to them of holding such Instruments.

The IRS has released a notice (the "**Notice**") in which it sought comments on the taxation of financial instruments referred to as "prepaid forward contracts". According to the Notice, the IRS and the U.S. Treasury are considering whether a holder of such an instrument should be required to accrue ordinary income on a current basis, regardless of whether any payments are made prior to maturity. The IRS and the U.S. Treasury are also considering additional issues, including whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals. It is not possible to determine what guidance the IRS and the U.S. Treasury will ultimately issue, if any, and whether any such guidance would be retroactive. Any such guidance may affect the United States federal income and withholding tax treatment of the Instruments.

A United States Alien holder generally will not be subject to United States federal income tax on any gain realised on the sale, exchange, or retirement of an Instrument (other than gains treated as dividends or "dividend equivalents" pursuant to United States federal income tax law), provided that (a) the gain is not effectively connected with the conduct of trade or business within the United States, or a permanent establishment maintained in the United States if certain tax treaties apply, (b) in the case of a United States Alien holder that is an individual, the United States Alien holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement of the Instrument, (c) the Instrument is not a "United States real property interest" for United States federal income tax purposes, and (d) the United States Alien holder is not subject to tax pursuant to certain provisions of United States federal income tax law applicable to certain expatriates.

In general, United States backup withholding and information reporting should not apply to payments on the Instruments (except with respect to dividends or dividend equivalents) held by a United States Alien holder and received outside the United States through a non- United States bank or other non-United States financial institution. Proceeds of sales and payments on the Instruments received within the United States or through certain United States related financial institutions may be subject to backup withholding and information reporting unless the United States Alien holder complies with applicable certification procedures to establish that it is not a United States person and the Issuer does not have actual knowledge or reason to know that the certification is false (or such holder otherwise establishes an exemption). The treatment of Instruments for purposes of United States backup withholding tax and information reporting requirements will generally depend on the particular terms of such Instrument, the characteristics of the person or entity making a payment and the payee, and the

circumstances of payment. Holders should consult their own tax advisors regarding the application of the backup withholding tax and information reporting rules.

Rule 144A Warrants subject to LEPW Conditions

The following is a summary of certain United States federal income tax considerations applicable to the acquisition, ownership, and disposition of certain Rule 144A Warrants (including Rule 144A Warrants that are represented by a Regulation S/Rule 144A Global Warrant) that are subject to the LEPW Conditions (the "**Rule 144A LEPW**"). The following discussion is not exhaustive of all possible tax considerations. This summary is based upon the Code, regulations promulgated under the Code by the U.S. Treasury (including proposed and temporary regulations), rulings, current administrative interpretations and official pronouncements of the IRS, and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below.

This summary is for general information only, and does not purport to discuss all aspects of United States federal income taxation that may be important to a particular holder in light of its investment or tax circumstances or to holders subject to special tax rules, such as partnerships (or entities or arrangements treated as partnerships for United States federal income purposes), subchapter S corporations, or other pass-through entities, banks, financial institutions, tax-exempt entities, insurance companies, regulated investment companies, real estate investment trusts, trusts and estates, dealers in securities or currencies, traders in securities that have elected to use the mark-to-market method of accounting for their securities, persons holding a Rule 144A LEPW as part of an integrated investment, including a "straddle", "hedge", "constructive sale", or "conversion transaction", persons whose functional currency for tax purposes is not the United States dollar, persons holding a Rule 144A LEPW in a tax-deferred or tax-advantaged account, and persons subject to the alternative minimum or medicare contribution tax provisions of the Code. This summary does not include any description of the tax laws of any state or local governments, or of any foreign government, that may be applicable to a particular holder.

This summary is directed solely to United States Holders (as defined below) that, except as otherwise specifically noted, will purchase a Rule 144A LEPW upon original issuance and will hold the Rule 144A LEPW as a capital asset within the meaning of Section 1221 of the Code, which generally means property held for investment. United States Holders should also review the discussion below under "The Foreign Account Tax Compliance Act".

Holders should consult their own tax advisor concerning the United States federal income tax consequences to them of acquiring, owning, and disposing of a Rule 144A LEPW, as well as any tax consequences arising under the laws of any state, local, foreign, or other tax jurisdiction and the possible effects of changes in United States federal or other tax laws.

As used herein, the term "**United States Holder**" means a beneficial owner of a Rule 144A LEPW that is for United States federal income tax purposes:

- (a) a citizen or resident of the United States; or
- (b) a corporation (including an entity treated as a corporation for United States federal income tax purposes) created or organised in or under the laws of the United States or of any state of the United States or the District of Columbia.

Although there is no statutory, judicial, or administrative authority directly addressing the characterisation of a Rule 144A LEPW, the Issuer intends to treat the Rule 144A LEPW for all tax purposes as a single financial contract linked to the underlying index or shares. This discussion assumes that a Rule 144A LEPW constitutes a single financial contract linked to the underlying index or shares for United States federal income tax purposes. If a Rule 144A LEPW does not constitute a single financial contract, the tax consequences described below would be materially different.

This characterisation of a Rule 144A LEPW is not binding on the IRS or the courts. No statutory, judicial, or administrative authority directly addresses the characterisation of a Rule 144A LEPW or any similar instruments for United States federal income tax purposes, and no ruling is being requested from the IRS with respect to its proper characterisation and treatment. Due to the absence of

authorities on point, significant aspects of the United States federal income tax consequences of an investment in a Rule 144A LEPW are not certain, and no assurance can be given that the IRS or any court will agree with the characterisation and tax treatment described herein. Accordingly, holders are urged to consult their tax advisor regarding all aspects of the United States federal income tax consequences of an investment in a Rule 144A LEPW, including possible alternative characterisations.

As noted above, the IRS released the Notice in which it sought comments on the taxation of financial instruments referred to as "prepaid forward contracts". According to the Notice, the IRS and the U.S. Treasury are considering whether a holder of such an instrument should be required to accrue ordinary income on a current basis, regardless of whether any payments are made prior to maturity or settlement. The IRS and the U.S. Treasury are also considering additional issues, including whether foreign holders of such instruments should be subject to withholding tax on any deemed income accruals. It is not possible to determine what guidance the IRS and the U.S. Treasury will ultimately issue, if any, and whether any such guidance would be retroactive. Any such guidance may affect the United States federal income and withholding tax treatment of a Rule 144A LEPW.

Holders are urged to consult their own tax advisor concerning the impact and the significance of the above considerations. The Issuer intends to continue treating a Rule 144A LEPW for United States federal income tax purposes in the manner described herein unless and until such time as the Issuer, the IRS or the U.S. Treasury determines, that some other treatment is more appropriate.

Unless otherwise stated, the following discussion is based on the characterisation described above. The discussion in this section assumes that there is a significant possibility of a significant loss of principal on an investment in a Rule 144A LEPW.

The Issuer will not attempt to ascertain whether any of the entities whose stock is included in an underlying index or the issuer of any underlying shares is a "passive foreign investment company" ("PFIC") within the meaning of Section 1297 of the Code or a "financial asset" within the meaning of Section 1260 of the Code. If any of the entities whose stock is included in the underlying index or the issuer of any underlying shares were so treated, certain adverse United States federal income tax consequences could possibly apply. Holders should consult their tax advisor regarding the possible consequences to them in this regard.

Although the United States federal income tax treatment of any Additional Amounts paid with respect to a share linked Rule 144A LEPW is uncertain, the Issuer intends to take the position, and the following discussion assumes, that any such Additional Amounts constitute taxable ordinary income to a United States Holder at the time received or accrued in accordance with the holder's regular method of accounting.

Subject to the final sentence of this paragraph, upon receipt of a cash payment on the settlement date or upon a sale or exchange of a Rule 144A LEPW prior to exercise, a United States Holder generally should recognise capital gain or loss equal to the difference between the amount realised and the holder's basis in the Rule 144A LEPW. This capital gain or loss generally will be long-term capital gain or loss if the United States Holder held the Rule 144A LEPW for more than one year. The deductibility of capital losses is subject to limitations. For this purpose, however, the Issuer can provide no assurance on the proper treatment of the portion of the cash settlement amount, if any, equal to a fixed percentage p.a. of the issue price (the "**outperformance payment**") and the IRS may successfully assert that any amount attributable to the outperformance payment should be treated as ordinary income rather than as part of the amount realised.

Due to the absence of authorities that directly address the proper tax treatment of a Rule 144A LEPW, prospective investors are urged to consult their tax advisor regarding all possible alternative tax treatments of an investment in a Rule 144A LEPW. For example, the IRS could seek to treat a Rule 144A LEPW as a single debt instrument. If the IRS were successful in that regard, the timing and character of income on a Rule 144A LEPW would be affected significantly. In that case, if a Rule 144A LEPW has a term that exceeds one year, a United States Holder would generally be required to accrue interest currently over the term of the Rule 144A LEPW. In addition, any gain a United States Holder might recognise upon the settlement or upon a sale or exchange of the Rule 144A LEPW prior to exercise would be ordinary income and any loss recognised by a holder at such time would be ordinary loss to the extent of interest that same holder included in income in the current or previous taxable years in respect of the Rule 144A LEPW, and thereafter, would be capital loss. If the Rule

144A LEPW is treated as a single debt instrument that has a term of no more than one year, it would be treated as a single contingent short-term debt instrument, which would also result in tax consequences that are different from those described above. Other alternative United States federal income tax characterisations of a Rule 144A LEPW are possible, which, if applied, also could affect the timing and the character of a United States Holder's income or loss.

In general, backup withholding may apply in respect of the amounts paid to a United States Holder, unless such United States Holder provides proof of an applicable exemption or a correct taxpayer identification number, or otherwise complies with applicable requirements of the backup withholding rules. In addition, information returns will be filed with the IRS in connection with payments on the Rule 144A LEPW as well as in connection with the proceeds from a sale, exchange, or other disposition of the Rule 144A LEPW, unless the United States Holder provides proof of an applicable exemption from the information reporting rules. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a United States Holder's United States federal income tax liability provided the required information is furnished to the IRS.

The Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("**FATCA**") (Sections 1471 through 1474 of the Code) imposes a 30 per cent. United States withholding tax on certain United States source payments, including interest (and original issue discount), dividends (and dividend equivalents), or other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce United States source interest or dividends ("**Withholdable Payments**"), if paid to a foreign financial institution (including amounts paid to a foreign financial institution on behalf of a holder), unless such institution enters into an agreement with the U.S. Treasury to collect and provide to the U.S. Treasury substantial information regarding United States account holders, including certain account holders that are foreign entities with United States owners, with such institution. An Instrument may constitute an account for these purposes. The legislation also generally imposes a withholding tax of 30 per cent. on Withholdable Payments made to a non-financial foreign entity unless such entity provides the withholding agent with a certification that it does not have any substantial United States owners or a certification identifying the direct and indirect substantial United States owners of the entity. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

In addition, under FATCA, "passthru payments" made by a foreign financial institution to "recalcitrant holders" or non-compliant foreign financial institutions are subject to a 30 per cent. United States withholding tax. A "recalcitrant holder" generally is a holder of an account with a foreign financial institution that fails to comply with reasonable requests for information that will help enable the relevant foreign financial institution to comply with its reporting requirements (an Instrument may constitute an account for these purposes). Pursuant to U.S. Treasury regulations, a passthru payment is any Withholdable Payment and any "foreign passthru payment", which has yet to be defined. Under the regulations, the 30 per cent. United States withholding tax on "recalcitrant holders" or non-compliant foreign financial institutions may be imposed (i) on United States source payments (e.g. dividend equivalent payments) made by an Issuer with respect to the Instruments and (ii) on non-United States source payments made by an Issuer with respect to the Instruments after the later of (A) 31 December 2016 or (B) the date of publication in the U.S. Federal Register of final regulations defining the term foreign passthru payment. However, payments on an obligation will not be treated as foreign passthru payments if such obligation is outstanding on or before the date that is six months after the date on which final regulations defining the term foreign passthru payment are filed with the U.S. Federal Register.

If the Issuer determines withholding is appropriate with respect to the Instruments, the Issuer will withhold tax at the applicable statutory rate without being required to pay any additional amounts with respect to amounts so withheld. However, the withholding tax will not be imposed on payments pursuant to obligations giving rise to withholdable payments solely because payments are treated as dividend equivalent payments if the obligation is outstanding six months after the date on which the obligation becomes subject to such treatment. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Holders are urged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Instruments.

THE UNITED STATES FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY OR MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF THE INSTRUMENTS, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

DUTCH TAXATION

The following is a general summary and the tax consequences as described here may not apply to a Holder of Instruments (as defined below). Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes, Warrants or Certificates (together referred to as "**Instruments**") in his particular circumstances.

This taxation summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Instruments issued on or after the date of this Base Prospectus. It does not purport to describe every aspect of taxation that may be relevant to a particular Holder of Instruments. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this taxation summary the terms "The Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of The Netherlands. This summary assumes that the Issuer is organised, and that its business will be conducted, in the manner outlined in this Base Prospectus. A change to such organisational structure or to the manner in which the Issuer conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of The Netherlands (unpublished case law not included) as it stands at the date of this Base Prospectus. The tax law upon which this summary is based is subject to change, perhaps with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change. This summary assumes that each transaction with respect to Instruments is at arm's length.

Where in this Dutch taxation paragraph reference is made to a "Holder of Instruments", that concept includes, without limitation:

1. an owner of one or more Instruments who in addition to the title to such Instruments has an economic interest in such Instruments;
2. a person who or an entity that holds the entire economic interest in one or more Instruments;
3. a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more Instruments, within the meaning of (a) or (b) above; or
4. a person who is deemed to hold an interest in Instruments, as referred to under (a) to (c) pursuant to the attribution rules of article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), with respect to property that has been segregated, for instance in a trust or a foundation.

Withholding tax

All payments under Instruments may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority of or in The Netherlands, except where Instruments are issued under such terms and conditions that such Instruments are capable of being classified as equity of the Issuer for Dutch tax purposes or actually function as equity of the Issuer within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) and where Instruments are issued that are redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by the Issuer or by any entity related to the Issuer

Taxes on income and capital gains

Resident Holders of Instruments

The summary set out in this section "Dutch Taxation - Taxes on income and capital gains - Resident Holders of Instruments" applies only to a Holder of Instruments who is a "Dutch Individual" or a "Dutch Corporate Entity".

A Holder of Instruments is a "Dutch Individual" if:

- (a) he is an individual; and
- (b) he is resident, or deemed to be resident, in The Netherlands for Dutch income tax purposes.

A Holder of Instruments is a "Dutch Corporate Entity" if:

- (a) it is a corporate entity (*lichaam*), including an association that is taxable as a corporate entity, that is subject to Dutch corporation tax;
- (b) it is resident, or deemed to be resident, in The Netherlands for Dutch corporation tax purposes;
- (c) it is not an entity that, although in principle subject to Dutch corporation tax, is, in whole or in part, specifically exempt from that tax;
- (d) the benefits derived from Instruments held by it are not exempt in its hands under the participation exemption (as laid down in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*)); and
- (e) it is not an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporation Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

If a Holder of Instruments is not an individual and if it does not satisfy any one or more of these tests, with the exception of the second test, its Dutch tax position is not discussed in this Base Prospectus.

Dutch Individuals deriving profits or deemed to be deriving profits from an enterprise

Any benefits derived or deemed to be derived from Instruments, including any gain realised on the disposal of Instruments, by a Dutch Individual that are attributable to an enterprise from which such Dutch Individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of an enterprise, other than as a shareholder, are generally subject to Dutch income tax at progressive rates.

Dutch Individuals deriving benefits from miscellaneous activities

Any benefits derived or deemed to be derived from Instruments, including any gain realised on the disposal of Instruments, by a Dutch Individual that constitute benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to Dutch income tax at progressive rates.

Benefits derived from Instruments by a Dutch Individual are taxable as benefits from miscellaneous activities if he, or an individual who is a connected person in relation to him as meant by article 3.91, paragraph 2, letter b, or c, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), has a substantial interest (*aanmerkelijk belang*) in the Issuer.

Generally, a person has a substantial interest in the Issuer if such person – either alone or, in the case of an individual, together with his partner (partner), if any – owns or is deemed to own, directly or indirectly, either a number of shares representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer or profit participating certificates (*winstbewijzen*) relating to five per cent. or more of the annual profits of the Issuer or to five per cent. or more of the liquidation proceeds of the Issuer.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and such person's entitlement to such benefits is considered a share or a profit participating certificate, as the case may be.

Furthermore, a Dutch Individual may, *inter alia*, derive, or be deemed to derive, benefits from Instruments that are taxable as benefits from miscellaneous activities in the following circumstances:

- (a) if his investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge (*voorkennis*) or comparable forms of special knowledge;
- (b) if he makes Instruments available or is deemed to make Instruments available, legally or as a matter of fact, directly or indirectly, to certain parties as meant by articles 3.91 and 3.92 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) under circumstances described there; or
- (c) if he holds Instruments, whether directly or indirectly, and any benefits to be derived from such Instruments are intended, in whole or in part, as remuneration for activities performed by him or by a person who is a connected person in relation to him as meant by article 3.92b, paragraph 5, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Other Dutch Individuals

If a Holder of Instruments is a Dutch Individual whose situation has not been discussed before in this section "Dutch taxation - Taxes on income and capital gains – Resident Holders of Instruments", benefits from his Instruments are taxed annually as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be 4 per cent. per annum of his "yield basis" (*rendementsgrondslag*), generally to be determined at the beginning of the calendar year, to the extent that such yield basis exceeds the "exempt net asset amount" (*heffingvrij vermogen*) for the relevant year. The benefit is taxed at the rate of 30 per cent. The value of his Instruments forms part of his yield basis. Actual benefits derived from his Instruments, including any gain realised on the disposal of Instruments, are not as such subject to Dutch income tax.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by, and yield basis for benefits from savings and investments of, a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Dutch Corporate Entities

Any benefits derived or deemed to be derived from Instruments, including any gain realised on the disposal thereof, that are held by a Dutch Corporate Entity are generally subject to Dutch corporation tax.

Non-resident Holders of Instruments

The summary set out in this section "Dutch Taxation - Taxes on income and capital gains - Non-resident Holders of Instruments" applies only to a Holder of Instruments who is a Non-Resident Holder of Instruments.

A Holder of Instruments will be considered a "Non-Resident Holder of Instruments" if he is neither resident, nor deemed to be resident, in The Netherlands for the purposes of Dutch income tax or corporation tax, as the case may be.

Individuals

A Non-Resident Holder of Instruments who is an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived from Instruments,

including any payment under Instruments and any gain realised on the disposal of Instruments, except if

- (a) he derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in The Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in The Netherlands, and his Instruments are attributable to such enterprise; or
- (b) he derives benefits or is deemed to derive benefits from Instruments that are taxable as benefits from miscellaneous activities in The Netherlands (*resultaat uit overige werkzaamheden in Nederland*).

See the section "Dutch Taxation - Taxes on income and capital gains - Resident Holders of Instruments - Dutch Individuals deriving benefits from miscellaneous activities" for a description of the circumstances under which the benefits derived from Instruments may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in The Netherlands only if such activities are performed or deemed to be performed in The Netherlands.

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or to the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Entities

A Non-Resident Holder of Instruments other than an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived from Instruments, including any payment under Instruments and any gain realised on the disposal of Instruments, except if

- (a) such Non-Resident Holder of Instruments derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, which enterprise either is managed in The Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in The Netherlands, and its Instruments are attributable to such enterprise; or
- (b) such Non-Resident Holder of Instruments has a substantial interest in the Issuer (as described above under Individuals) or a deemed substantial interest in the Issuer.

A deemed substantial interest may be present if shares, profit participating certificates or rights to acquire shares in the Issuer are held by such person or deemed to be held by such person following the application of a non-recognition provision.

General

Subject to the above, a Non-Resident Holder of Instruments will not be subject to income taxation in The Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of Instruments or the performance by the Issuer of its obligations under such documents or under the Instruments.

Gift and inheritance taxes

If a Holder of Instruments disposes of Instruments by way of gift, in form or in substance, or if a Holder of Instruments who is an individual dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

- (a) the donor is, or the deceased was resident or deemed to be resident in The Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or

- (b) the donor made a gift of Instruments, then became a resident or deemed resident of The Netherlands, and died as a resident or deemed resident of The Netherlands within 180 days of the date of the gift.

For purposes of the above, a gift of Instruments made under a condition precedent (*opschortende voorwaarde*) is deemed to be made at the time the condition precedent is satisfied.

Registration taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in The Netherlands in respect of or in connection with (i) the execution and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of The Netherlands) of the documents relating to the issue of Instruments, (ii) the performance by the relevant Issuer of its obligations under such documents or under the Instruments, or (iii) the transfer of Instruments, except that Dutch real property transfer tax (*overdrachtsbelasting*) may be due upon an acquisition in connection with Instruments of (a) real property situated in The Netherlands, (b) (an interest in) an asset that qualifies as real property situated in The Netherlands, or (c) (an interest in) a right over real property situated in The Netherlands, for the purposes of Dutch real property transfer tax (*overdrachtsbelasting*) or, where Instruments are issued under such terms and conditions that they represent (an interest in) an asset that qualifies as real property situated in The Netherlands, or (an interest in) a right over real property situated in The Netherlands, for the purposes of Dutch real property transfer tax (*overdrachtsbelasting*).

CURAÇAO TAXATION

This summary solely addresses the principal Curaçao tax consequences of the acquisition, ownership and disposal of W&C Instruments issued on or after the date of this Base Prospectus. It does not purport to describe every aspect of taxation that may be relevant to a particular holder of W&C Instruments (as defined below). Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of W&C Instruments in his particular circumstances. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Curaçao tax law.

This summary is based on the tax law of Curaçao (unpublished case law not included) as it stands at the date of this Note, Warrant and Certificate Programme. The tax law upon which this summary is based, is subject to changes, perhaps with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change. This summary assumes that (i) each transaction with respect to W&C Instruments is at arm's length, (ii) neither BAC as Guarantor nor MLI as Collateral Provider is resident deemed to be resident in Curaçao and neither BAC nor MLI has a permanent establishment nor a permanent representative in Curaçao, for Curaçao tax purposes, (iii) neither the General Partner nor the Limited Partner as described in this Base Prospectus is resident or deemed to be resident in Curaçao nor considered as transparent for Curaçao tax purposes, (iv) no payment under W&C Instruments has been or will be secured by a mortgage on any real property, or on any rights on real property, situated within Curaçao, (v) if any payment under W&C Instruments qualifies as an interest payment made to, or secured to, or for the direct benefit of, an individual who is resident of the part of the Kingdom of The Netherlands situated in Europe or of any other State, with which the Kingdom of The Netherlands has concluded an agreement regarding automatic exchange of information with respect to income in the form of interest payments within the meaning of the National Ordinance on the Taxation of Savings Income (*Landsverordening spaarvermogensheffing*), such individual has authorised in writing the submission of information concerning such payments to the competent authorities of his State of residency in accordance with the National Ordinance on the Taxation of Savings Income, and (vi) no W&C Instruments will be issued that are, in whole or in part, linked to shares of any one or more companies that are resident or deemed to be resident in Curaçao for Curaçao tax purposes.

Where in this Curaçao taxation paragraph reference is made to a "holder of W&C Instruments", that concept includes, without limitation:

1. an owner of one or more W&C Instruments who in addition to the title to such W&C Instruments has an economic interest in such W&C Instruments;

2. a person who or an entity that holds the entire economic interest in one or more W&C Instruments; and
3. a person who or an entity that holds an interest in an entity, such as a partnership, that is transparent for Curaçao tax purposes, the assets of which comprise one or more W&C Instruments, within the meaning of 1. or 2. above.

Withholding Tax

All payments under W&C Instruments may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by Curaçao or any political subdivision or taxing authority of, or in, Curaçao.

Taxes on Income and Capital Gains

The summary set out in this section "Curaçao Taxation - Taxes on Income and Capital Gains" applies only to a holder of W&C Instruments who is neither resident nor deemed to be resident in Curaçao for the purposes of Curaçao income tax or profit tax, as the case may be (a "**Non-Resident holder of W&C Instruments**").

A Non-Resident holder of W&C Instruments will not be subject to any Curaçao taxes on income or capital gains in respect of any benefits derived or deemed to be derived from W&C Instruments, including any payment under W&C Instruments and any gain realised on the disposal of W&C Instruments, provided that:

- (i) such holder, for Curaçao tax purposes, does not have an enterprise or profession or an interest in an enterprise or profession that is, in whole or in part, carried on in Curaçao by or for the account of such holder, and to which enterprise or profession or part of an enterprise or profession, as the case may be, his or its W&C Instruments are attributable; and
- (ii) if such holder is an individual and if such W&C Instruments are not considered securities (*effecten*) for Curaçao purposes, no payment under the W&C Instruments is contingent on the proceeds of any Curaçao enterprise or profession, nor on the quantities or proceeds of any product mined or processed in Curaçao.

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster-child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Gift and Inheritance Taxes

If a holder of W&C Instruments disposes of W&C Instruments by way of gift, in form or in substance, or if a holder of W&C Instruments who is an individual dies, no Curaçao gift tax or Curaçao inheritance tax, as applicable, will be due, unless the donor is, or the deceased was resident or deemed to be resident in Curaçao for purposes of Curaçao gift tax or Curaçao inheritance tax, as applicable.

Sales Tax

No sales tax (*omzetbelasting*), turnover tax (*belasting op bedrijfsomzetten*) or similar tax will arise in Curaçao in respect of any payment in consideration for the issue of W&C Instruments or with respect to any payment under the W&C Instruments provided that the W&C Instruments will neither be offered or deemed to be offered nor sold or deemed to be sold directly or indirectly to, nor will W&C Instruments be acquired or deemed to be acquired or owned or deemed to be owned by:

- (i) an individual who is resident or deemed to be resident in Curaçao for Curaçao tax purposes; or
- (ii) an entity which is resident or deemed to be resident in Curaçao for Curaçao tax purposes, and which is not in the possession of a foreign exchange license pursuant to article 23 the Foreign Exchange Regulation Curaçao and Sint Maarten (*Regeling Deviezenverkeer Curaçao en Sint Maarten*); or

- (iii) an individual who or an entity which is neither resident nor deemed to be resident in Curaçao and who or which is engaged in trade or business in Curaçao through a permanent establishment or through a permanent representative, for Curaçao tax purposes;

in each case: for the purposes of the Sales Tax Ordinance (*Landsverordening Omzetbelasting 1999*).

Other Taxes and Duties

No Curaçao registration tax, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in Curaçao in respect of, or in connection with, the execution, delivery and/or enforcement by legal proceedings of the documents relating to the issue of W&C Instruments or the performance by the Issuer or the Guarantor of its obligations under such documents or under W&C Instruments, provided these actions take place outside Curaçao. Stamp tax amounting to not more than NAFL 20 (U.S.\$11.20) per page and registration tax of NAFL 10 (U.S.\$5.60) per document are payable in the case of registration in Curaçao of documents or if such documents are brought into the courts of Curaçao and court fees will be due in the case of litigation in the courts of Curaçao.

A holder of W&C Instruments will not incur or become liable for any Curaçao registration tax, transfer tax, stamp duty or any other similar documentary tax or duty by reason only of the acquisition, ownership or disposal of W&C Instruments.

FINNISH TAXATION

The following is a summary of certain Finnish withholding tax consequences for holders of the Instruments who are residents of Finland for tax purposes. The summary does not cover Instruments held on or through so called investment savings account (*ps-tili*) or through so-called investment insurances (*sijoitusvakuutus*). The summary is based on tax laws and taxation practice, as in effect and applied as at the date of this Base Prospectus and is intended to provide general information only. Tax laws, taxation practices and their interpretation are constantly under change, which changes may sometimes have a retroactive effect and may change the conclusions set out in the summary.

Each prospective investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from subscription, purchase, ownership and disposition of the Instruments.

Withholding Tax – Individuals

There is no Finnish withholding tax (*lähdevero*) applicable on payments made by the Issuer in respect of the Instruments. However, Finland operates a system of preliminary taxation (*ennakonpidätysjärjestelmä*) to secure payment of taxes in certain circumstances. A tax of 30 per cent. will generally be deducted and withheld from all such payments on securities that are regarded as interest or as compensation comparable to interest for Finnish tax purposes, where such payments are made by a Finnish paying agent to individuals. Such preliminary tax will be used for the payment of the individual's final taxes (which means they are credited against the individual's final tax liability).

Based on current Finnish court practice, however, profits on warrants and certificates comparable to warrants would be considered a capital gain (as opposed to interest or compensation comparable to interest). Therefore, any payments made by a Finnish paying agent in respect of the Warrants or Certificates comparable to warrants should generally not be subject to any preliminary taxation (*ennakonpidätys*).

Withholding Tax – Corporate Entities

Payment of interest or compensation comparable to interest on the Instruments or any gain on the redemption or the exercise (i.e. the realisation of the net value through cash settlement) of the Instruments to a corporate entity resident in Finland will not be subject to any Finnish withholding tax to be levied or deducted by the Issuer.

FRENCH TAXATION

The following is a summary of certain material French tax considerations for holders of Instruments who are resident in France.

This information is of a general nature and does not purport to be a comprehensive description of all French tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Instruments. In some cases, different rules can be applicable, depending, in particular, on the characterisation of the Instruments for French tax purposes or on the holder's specific circumstances. The comments below only apply to holders that are the beneficial owners of the Instruments who acquire and hold the Instruments as an investment and do not apply to dealers in Instruments. This summary does not describe the French tax consequences, for a holder of Instruments that are subject to a physical settlement, of the acquisition, holding or disposal of the assets delivered at time of settlement.

This summary is based on the French tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as at 1 June 2015, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

Each potential holder of a Note, a Certificate or a Warrant should consult a professional adviser with respect to the tax consequences of an investment in the Notes, Certificates and Warrants, taking account in particular of the potential holder's own individual situation and the characteristics of the relevant Instruments.

Holders who are not resident in France: French Withholding tax

All payments of interest and redemption premium made under the Instruments should be free of withholding tax in France, as long as the Issuer is not incorporated or otherwise acting through a French permanent establishment.

Individuals resident in France: French Income and Capital Gains Tax

Investment in Notes and Certificates (other than Certificates which would be classified as warrants for French tax purposes)

Taxation of interest payments and redemption premium (*Prime de remboursement*)

Interest and redemption premiums paid to an individual are in principle subject to personal income tax, according to the standard progressive income tax schedule, whose top rate is currently 45 per cent., and to social contributions at the current global rate of 15.5 per cent. (5.1 per cent. being deductible from the taxable income of the year of payment of these contributions). This income would also be included in the "reference income" on which the *contribution exceptionnelle sur les hauts revenus* would apply (see below).

Income tax is payable by way of a mandatory prepayment of 24 per cent., which is later set off against the final income tax liability of the taxpayer (and refunded if in excess of the final income tax liability). Taxpayers whose "reference income" of the penultimate year is less than € 25,000 (or € 50,000 for a couple taxed on a joint basis) may be exempted from this mandatory prepayment.

When the paying agent is established in France, it is responsible for withholding and reporting the social contributions and the 24 per cent. income tax prepayment. When the paying agent is established outside France, it is in principle not involved in this withholding obligation and the taxpayer is responsible for paying the income tax prepayment and the social contributions directly to the French tax authorities no later than the 15th of the month following the payment of interest or redemption premium. If the paying agent is established in an EU or EEA member state, it can however be appointed by the taxpayer to do so.

If the total amount of interest and assimilated income of the household (which comprises the spouses (or couples otherwise filing jointly) and any unmarried children under the age of 18 (or the age of 25 if they are students)) in a given year does not exceed € 2,000, he / she can elect to be subject to a 24 per cent. flat income tax on such income.

Taxation of gains

Gains derived from the disposal of Instruments classified as notes or certificates are subject to personal income tax, according to the standard progressive income tax schedule, whose top rate is currently 45 per cent. Social contributions of 15.5 per cent. are also due (5.1 per cent. is however deductible from

the taxable income of the year of payment of these contributions). This income would also be included in the "reference income" on which the *contribution exceptionnelle sur les hauts revenus* would apply (see below).

If the holder sells notes or certificates at a loss, such loss may be offset against capital gains of the same nature during the year of the loss or the ten following years, subject to filing obligations.

The notes and the certificates are not eligible for the *plan d'épargne en actions* ("PEA").

Investment in Warrants

Profits realised by non-professional individuals from the sale or exercise of warrants ("*bons d'options*" or assimilated instruments) are taxed according to the standard progressive income tax schedule, whose top rate is currently 45 per cent., the above social contributions of 15.5 per cent. being also due (5.1 per cent. is however deductible from the taxable income of the year of payment of these contributions). The *contribution exceptionnelle* could also apply (see below).

Losses may be set off against profits of the same nature realised during the year or during one of the ten following years provided the individual does not act on an habitual basis.

The warrants are not eligible for the *plan d'épargne en actions* (PEA).

Contribution exceptionnelle sur les hauts revenus

An exceptional contribution could be applicable to holders of Instruments. This tax takes the form of a levy equal to 3 per cent. of the fraction of the "reference" income above € 250,000 (or € 500,000 for a couple taxed on a joint basis) and 4 per cent. on "reference" income over € 500,000 (€ 1,000,000 for a couple). The contribution is levied on the "reference" income for the tax year in question, which would include income and gains realised in relation to the Notes, Certificates and Warrants.

Holders subject to French corporate income tax

Income or gains in relation to the Instruments are subject to corporate income tax at the standard rate of 33 1/3 per cent. (or the reduced rate applicable to small companies where the relevant conditions are met), to which 3.3 per cent. and 10.7 per cent. surtaxes are added in certain circumstances. Losses are in principle treated as ordinary losses which may be set off against operational profits and any remaining balance carried forward in accordance with standard rules (i.e. unlimited carry forward, in principle, it being noted however that carry forward losses can only be offset against profits of a given year up to an amount of € 1,000,000 plus 50 per cent. of the taxable profit of that year).

Interest payments are taxed on an accruals basis. Any redemption premium would be taxable upon receipt unless the estimated value of the redemption premium exceeds 10 per cent. of the purchase value of the instrument and the issue price is less than 90 per cent. of the estimated redemption value, in which case the taxation of this premium would be spread over the life of the instrument.

The timing of recognition of income, gains or losses in relation to the holding or disposal of the Instruments may vary, depending on the characteristics of the Instruments.

Investors residing abroad

In principle, income or gains derived from the Instruments by non-resident individuals or companies are not subject to taxation in France, provided that the Instruments are not booked in a permanent establishment or a fixed base they have in France.

Transfer tax and French financial transaction tax

Subscription or transfers of the Instruments would not be subject to transfer tax or stamp duty or French Financial transaction tax in France.

Gift and Inheritance Taxes

French gift or inheritance taxes would not be levied on the transfer of an Instrument by way of gift by, or on the death of, a holder, unless, subject to applicable double tax treaty provisions:

- (a) the holder is resident of France; or
- (b) the beneficiary is resident of France and has been so resident for at least six years over the ten preceding years; or
- (c) if both the holder and the beneficiary are residents outside of France, the transferred assets are located in France.

Assets regarded as located in France would include receivables over a debtor which is established in France.

Applicable brackets and rates vary depending in particular on the relationships between the individuals concerned.

Wealth Tax applicable to Individuals

The value of the Instruments at 1 January of each year will, in general and subject to applicable double tax treaty provisions or specific rules in relation to new residents, be included in the French resident holder's taxable assets. When taxable assets exceed € 1,300,000, wealth tax is levied at progressive rates from 0.5 per cent. up to 1.50 per cent. of the net wealth above € 800,000.

Wealth tax may be capped where the sum of the wealth tax and the personal income tax of the French tax resident exceeds 75 per cent. of his / her income of the preceding year.

Non-residents are only subject to French wealth tax on their French assets but are generally exempt in relation to their financial investments, even if regarded as French assets.

Paying agent or custodian located in the Republic of France

French implementation of the EU Savings Tax Directive

The EU Savings Tax Directive has been implemented in French law under article 242 ter of the French *Code Général des Impôts*. These provisions impose on paying agents established in France an obligation to report to the French tax authorities, certain information with respect to interest payments made to beneficial owners (individuals or certain entities) domiciled in another Member State (or certain territories), including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest (within the meaning of the EU Savings Tax Directive) paid to that beneficial owner.

Withholding obligation

Where the paying agent is established in France, it is responsible for withholding the income tax prepayment and social contributions on interest and redemption premiums on the Instruments (see above - "Individuals resident in France: French Income and Capital Gains Tax – Investment in Notes and Certificates").

IRISH TAXATION

The following is a summary based on the laws and practices currently in force in Ireland of certain matters regarding the tax position of investors who are the absolute beneficial owners of their Instruments and should be treated with appropriate caution. Particular rules that are not discussed below may apply to certain classes of taxpayers holding Instruments including dealers in securities and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Instruments. Prospective investors in the Instruments should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Instruments and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of principal. In addition, payments of premium or interest (if any, or to the extent a payment may be so characterised for taxation purposes) paid on the Instruments may be made without deduction or withholding on account of Irish income tax so long as such payments do not constitute Irish source income. Interest (if any) and premium paid on the Instruments may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer is not resident in Ireland for tax purposes but the register for the Instruments is maintained in Ireland or if the Instruments are in bearer form the Instruments are physically held in Ireland; or
- (c) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which are used to fund the payment on the instruments.

It is anticipated that (i) the Issuers are not and will not be resident in Ireland for tax purposes; (ii) the Issuers will not have a branch or permanent establishment in Ireland; and (iii) the Instruments will either be in bearer form and will not be physically located in Ireland and that the Issuers will not maintain a register of any registered Instruments in Ireland.

Taxation of Receipts

Notwithstanding that a holder of Instruments may receive payments of principal, interest, premium or discount on the Instruments free of Irish withholding tax, the holder of Instruments may still be liable to pay Irish income or corporation tax (and in the case of individuals, the universal social charge) on such premium or interest if (i) such interest has an Irish source, (ii) the holder of Instruments is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there would also be a social insurance (PRSI) liability for an individual in receipt of premium or interest on the Instruments), or (iii) the Instruments are attributed to a branch or agency in Ireland. Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

Relief from Irish income tax may also be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) on any premium, interest, dividends or annual payments payable out of or in respect of the stocks, funds, shares or securities of a company not resident in Ireland, where such interest, dividends or annual payment is collected or realised by a bank or encashment agent in Ireland on behalf of any holder of Instruments who is Irish resident.

Encashment tax does not apply where the holder of Instruments is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

Capital Gains Tax

A holder of Instruments will be subject to Irish tax on capital gains realised on a disposal of Instruments unless: (a) such holder is: (i) neither resident nor ordinarily resident in Ireland; and (ii) the Instruments were not used in or for the purposes of a trade carried on by the holder of Instruments in Ireland through a branch or agency and were not used or held or acquired for the purposes of such a branch or agency.

Capital Acquisitions Tax

A gift or inheritance comprising of Instruments will be within the charge to capital acquisitions (which subject to available exemptions and reliefs is currently levied at 33 per cent.) if either: (i) the disposer

or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland; (or in certain circumstances, if the disposer is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Instruments are regarded as property situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual: (i) has been resident in Ireland for the five consecutive tax years preceding the tax year in which the gift or inheritance is taken; and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer Instruments are generally regarded as situated where they are physically located at any particular time. Instruments in registered form are property situate in Ireland if the register is in Ireland. The Instruments may, however, be regarded as situated in Ireland regardless of their physical location if they secure a debt due by an Irish resident debtor and/or are secured over Irish property. Accordingly, if such Instruments are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disposer or the donee/successor.

Stamp duty

As the Issuers are not registered in Ireland, stamp duty will not arise on a document effecting a transfer of the Instruments so long as the relevant instrument of transfer:

- (a) does not relate to any immoveable property situated in Ireland or any right over or interest in such property; or
- (b) does not relate to stocks or marketable securities of a company registered in Ireland (other than a company which is (a) an investment undertaking within the meaning of section 739B of the Taxes Consolidation Act 1997 (TCA) or (b) a qualifying company within the meaning of section 110 of the TCA).

European Union Directive on Taxation of Savings Income

Ireland has implemented the EC Council Directive 2003/48/EC (the "**Savings Directive**") on the taxation of savings income into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the Issuers to an individual or certain residual entities resident in another Member State will have to provide details of the payment and certain details relating to the holder of Instruments (including name and address of the holder of Instruments) to the Irish Revenue Commissioners who in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

Prospective holders of Instruments should note that an amended version of the Savings Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Savings Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and which will apply from 1 January 2017, will extend the scope of the Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

ITALIAN TAXATION

The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, the ownership and the disposal of the Instruments by investors resident for tax purposes in Italy. The statements in this Base Prospectus regarding taxation are based on the laws in force in Italy as at the date of this Programme and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

The Issuer will not update this summary to reflect changes in laws and if such a change occurs, the information in this summary could become invalid.

The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Instruments and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

In particular, this summary does not address possible application of Italian anti-tax avoidance rules or general anti-abuse principles possibly associated with the investment in the Instruments.

This summary does not describe the tax consequences for a holder of the Instruments where physical delivery applies and, in particular, in respect of Instruments that are redeemable in exchange for, or convertible into, shares, of the exercise, settlement or redemption of such Instrument and/or any tax consequences after the moment of exercise, settlement or redemption.

With regard to certain innovative or structured financial instruments there is currently neither case law nor comments of the Italian tax authorities as to the tax treatment of such financial instruments. Accordingly, it cannot be excluded that the Italian tax authorities and courts or Italian intermediaries may adopt a view different from that outlined below.

The tax rates referenced below are based on the rates in force at 31 July 2015.

Prospective purchasers are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Instruments.

Tax Treatment of the Instruments

Instruments qualified as bonds or debentures similar to bonds

Legislative Decree No. 239 of 1 April 1996, as subsequently amended, ("**Decree No. 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, "**Interest**".) from notes falling within the category of bonds ("*obbligazioni*") or debentures similar to bonds ("*titoli similari alle obbligazioni*") issued, *inter alia*, by non-Italian resident issuers.

For this purpose, securities similar to bonds are debt instruments implying a "use of capital" issued in mass that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and that do not allow a direct or indirect participation in the management of the issuer.

Italian resident investors

Where the Italian resident holder of the Instrument who is the beneficial owner thereof is (a) an individual not engaged in an entrepreneurial activity to which the relevant Instruments are connected (unless he has opted for the application of the "*risparmio gestito*" regime, see paragraph "*Capital gains*" below), (b) a non-commercial partnership, (c) a non-commercial private or public institution and trust or (d) an investor exempt from Italian corporate income taxation, Interest payments relating to the Instruments, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. (either when the Interest is paid by the Issuer, or when payment thereof is obtained by the holder of the Instruments on a sale of the relevant Instruments). The "*imposta sostitutiva*" may not be recovered as a deduction from the income tax due.

In case the Instruments are held by an individual or a non-commercial private or public institution engaged in a business activity and are effectively connected with the same business activity, Interest will be subject to the "*imposta sostitutiva*" and will be included in the relevant income tax return. As a consequence, the Interest will be subject to the ordinary income tax and the "*imposta sostitutiva*" may be recovered as a deduction from the income tax due.

Where an Italian resident holder of the Instrument is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Instruments are effectively connected and the Instruments are deposited with an authorised intermediary, Interest from the Instruments will not be subject to "*imposta sostitutiva*", but must be included in the relevant income tax return of the Holder of the Instruments and are therefore subject to general Italian corporate taxation ("*imposta sul reddito delle società*", "**IRES**") according to ordinary rules and, in certain circumstances,

depending on the "status" of the holder of the Instruments, also to the regional tax on productive activities ("*imposta regionale sulle attività produttive*", "**IRAP**").

Where the holder of the Instruments is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 ("**Real Estate Investment Funds**"), Interest is subject neither to substitute tax nor to any other income tax in the hands of the fund. A withholding tax may apply in certain circumstances at the rate of up to 26 per cent. on distributions made by Italian Real Estate Investment Fund and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Investment Fund owning more than 5 per cent. of the fund's units.

Pursuant to Article 9 of Legislative Decree No. 44 of 4 March 2014, the same regime applicable to Real Estate Investment Funds also applies to "*società di investimento a capitale fisso*" ruled by Legislative Decree No. 58 of 24 February 1998 exclusively or primarily investing in real estate in the measures provided under the applicable implementing regulations ("**Real Estate SICAF**").

Where the holder of the Instruments is an open-ended or closed-ended Italian investment fund, or a Luxembourg investment fund regulated by Article 11-bis of Law Decree No. 512 of 30 September 1983 (collectively, the "**Investment Fund**"), a "*società di investimento a capitale variabile*" ("**SICAV**") or a "*società di investimento a capitale fisso*" not exclusively or primarily investing in real estate ("**SICAF**"), Interest is subject neither to substitute tax nor to any other income tax in the hands of the Investment Fund, SICAV or SICAF. A withholding tax may apply in certain circumstances at the rate of up to 26 per cent. on distributions made by the Investment Fund, SICAV or SICAF.

Where the holder of the Instruments is an Italian pension fund (subject to the tax regime set forth by Article 17 of Legislative Decree No. 252 of 5 December 2005, "**Pension Fund**") and the holder of the Instruments are deposited with an authorised intermediary, Interest is not subject to substitute tax, but must be included in the Pension Fund's annual net accrued result that is subject to a 20 per cent. substitute tax.

Pursuant to Decree No. 239, "*imposta sostitutiva*" is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance, including certain non-Italian resident financial intermediaries authorised by the Italian tax authorities and complying with their withholding tax obligations through an Italian based fiscal representative (each, an "**Intermediary**"). An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of Interest or in the transfer of the holder of the Instruments. For the purpose of the application of the "*imposta sostitutiva*", a transfer of Instruments includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Instruments or in a change of the Intermediary with which the Instruments are deposited.

Capital gains realized on any sale or transfer of the Instruments for consideration or on redemption thereof by Italian resident investors are subject to the tax regime described under paragraph "*Capital gains*" below.

Instruments qualified as "atypical" securities

Interest payments relating to debt instruments implying a "use of capital" that (a) are not deemed to fall within the category of bonds ("*obbligazioni*"), debentures similar to bonds ("*titoli similari alle obbligazioni*"), shares ("*azioni*") or securities similar to shares ("*titoli similari alle azioni*") pursuant to Presidential Decree No. 917 of 22 December 1986 ("**TUIR**") nor units of foreign undertakings for collective investment and (b) generate income from the investment of capital ("*reddito di capitale*") pursuant Article 44 of TUIR would be considered as "atypical" securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 converted by Law No. 649 of 25 November 1983. In this event, payments relating to Instruments may be subject to a withholding tax, levied at the rate of 26 per cent., if made to the following Italian resident investors: (i) individuals, (ii) non-commercial partnerships,

(iii) Real Estate Investments Funds and Real Estate SICAFs, (iv) Investment Funds, SICAVs and SICAFs, (v) Pension Funds and (vi) entities exempt from Italian corporate income tax.

Payments made to Italian resident investors which are companies or similar commercial entities (including a permanent establishment in Italy of a foreign entity to which the Instruments are effectively connected) are not subject to the 26 per cent. withholding tax, but will form part of their aggregate income subject to IRES according to ordinary rules. In certain cases, such amounts may also be included in the taxable net value of production for IRAP purposes.

Such a withholding tax is levied by any entities, resident in Italy, which intervene in the collection of payment of the Instruments or in the transfer of the Instruments.

Capital gains realised on any sale or transfer of the Instruments for consideration or on redemption thereof by Italian resident investors are subject to the tax regime described under paragraph "*Capital gains*" below.

Instruments representing financial instruments non entailing a static "use of capital"

Based on the principles stated by the Italian Tax Authorities in Ruling No. 72/E of 12 July 2010, income deriving from Instruments representing a securitised derivative financial instrument or a bundle of derivative financial instruments not entailing a static "use of capital" ("*impiego di capitale*"), but rather an indirect investment in underlying financial instruments for the purpose of obtaining a profit deriving from the negotiation of such financial instruments as well as capital gains realised through the sale of the same Instruments should be subject to Italian taxation according to the principles provided under paragraph "*Capital gains*" below.

Capital gains

Italian resident investors

Where the Italian resident holder of Instruments who is the beneficial owner of the Instruments is (i) an individual not engaged in an entrepreneurial activity to which the Instruments are connected, (ii) a non-commercial partnership, pursuant to Article 5 of TUIR (with the exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution or (iv) an investor exempt from Italian corporate income taxation, and the Instruments generate capital gains pursuant to Article 67 of TUIR, capital gains accrued on the sale of the Instruments are subject to a 26 per cent. substitute tax ("*imposta sostitutiva*").

The recipient who is an Italian resident individual not engaged in an entrepreneurial activity to which the Instruments are connected may opt for three different taxation criteria provided for by Article 67 of TUIR and Legislative Decree No. 461 of 21 November 1997 ("**Decree No. 461**"), as subsequently amended:

- (a) under the tax declaration regime ("*regime della dichiarazione*"), which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Instruments are connected, the "*imposta sostitutiva*" on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Instruments not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Instruments carried out during any given tax year. Italian resident individuals holding the Instruments not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the "*imposta sostitutiva*" on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Law Decree No. 66 of 26 April 2014 ("**Decree 66**"), capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: 48.08 per cent.

of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014;

- (b) as an alternative to the tax declaration regime, Italian resident individuals holding the Instruments not in connection with an entrepreneurial activity may elect to pay the "*imposta sostitutiva*" separately on capital gains realised on each sale or redemption of the Instruments (the "*risparmio amministrato*" regime provided for by Article 6 of Decree No. 461). Such a separate taxation of capital gains is allowed subject to (i) the Instruments being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express election for the "*risparmio amministrato*" regime being timely made in writing by the relevant holder of the Instruments. The depository is responsible for accounting the "*imposta sostitutiva*" in respect of capital gains realised on each sale or redemption of the Instruments (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian Tax Authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the holder of Instruments or using funds provided by the holder of Instruments for this purpose. Under the "*risparmio amministrato*" regime, where a sale or redemption of the Instruments results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014. Under the "*risparmio amministrato*" regime, the holder of Instruments is not required to declare the capital gains in the annual tax return;
- (c) any capital gains realised or accrued by Italian resident individuals holding the Instruments not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Instruments, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime (provided for by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the "*risparmio gestito*" regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014. Under the "*risparmio gestito*" regime, the holder of Instruments is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident holder of the Instruments who is the beneficial owner of the Instruments is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Instruments are effectively connected, capital gains arising from the Instruments will not be subject to "*imposta sostitutiva*", but must be included in the relevant investors' income tax return and are therefore subject to IRES according to ordinary rules and, in certain circumstances, depending on the "status" of the investor, also as a part of the net value of production for IRAP purposes.

Any capital gain realised on the transfer of or redemption of the Instruments by beneficial owners which are Italian Real Estate Investment Funds and Real Estate SICAFs will be subject neither to substitute tax nor to any other income tax at the level of the Real Estate Investment Fund or the Real Estate SICAF. A withholding tax at a rate of up to 26 per cent. may be applied under certain circumstances on income realised by the participants on distributions or redemption of the units or the shares (where the item of income realised by the participants may include the capital gains on the Instruments). In certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Investment Fund and Real Estate SICAF owning more than 5 per cent. of the units or the shares.

Any capital gain realised through the transfer for consideration or redemption of the Instruments by beneficial owners which are Investment Funds, SICAVs or SICAFs will not be subject to any withholding or substitute tax applied at source. A withholding tax may apply in certain circumstances at the rate of up to 26 per cent. on distributions or redemptions made by the Investment Fund, SICAV or SICAF to certain categories of investors.

Any capital gain realised through the transfer for consideration or redemption of the Instruments by beneficial owners which are Pension Funds (subject to the regime provided for by Article 17 of Decree No. 252) is included in the calculation of the management result of the fund, accrued in each year, subject to a 20 per cent. substitute tax. A 9 per cent. tax credit may be granted to the Pension Fund in certain circumstances; further details in this respect will be provided by a decree of the Italian Ministry of Economy still to be issued.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the total value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers or sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the beneficiary of any such transfer is a disabled individual, whose handicap is recognised pursuant to Law No. 104 of 5 February 1992, this tax is applied only on the value of the assets (including the Instruments) received in excess of €1,500,000 at the rates shown above, depending on the type of relationship existing between the deceased or donor and the beneficiary.

Transfer tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of €200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Wealth Tax on securities deposited abroad

According to Article 19 of Law Decree No. 201 of 6 December 2011 ("**Decree No. 201**"), converted with Law No. 214 of 22 December 2011, Italian resident individuals holding certain financial assets – including the Instruments – outside of the Italian territory are required to pay a wealth tax at the rate of 0.2 per cent. (such a tax is determined in proportion to the period of ownership). The tax applies on the market value at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value or – in the case the nominal or redemption value cannot be determined – on the purchase value of such financial assets held outside of the Italian territory. A tax credit is granted for any foreign wealth tax levied abroad on such financial assets (up to the amount of the Italian wealth tax due).

Stamp taxes and duties

According to Article 19 of Decree No. 201, a proportional stamp duty applies on a yearly basis at the rate of 0.2 per cent. on the market value or – in the lack of a market value – on the nominal value or the redemption amount of any financial product or financial instruments (including the Instruments). For investors other than individuals, the stamp duty cannot exceed the amount of €14,000. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Finance on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Tax monitoring

Pursuant to Law Decree No. 167 of 28 June 1990, as amended by Law No. 97 of 6 August 2013 and by Law No. 50 of 28 March 2014, individuals, non-commercial partnerships (in particular, "*società semplici*" or similar partnership in accordance with Article 5 of TUIR) and non-commercial entities which are resident in Italy for tax purposes and in the course of the year hold (or are beneficial owners, as defined for anti-money laundering purposes, of) investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian Tax Authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as the income tax return), regardless of the value of such assets. The above reporting is not required to be complied with respect to the Instruments deposited at source with qualified Italian intermediaries and with respect to contracts entered into through their intervention, provided that the financial flows and income derived from the Instruments are subject to tax by the same intermediaries.

Italian Financial Transaction Tax

According to Article 1 of Law No. 228 of 24 December 2012 and the related implementing regulations, an Italian Financial Transaction tax ("**IFTT**") applies – subject to certain exemptions – on the transfer of property rights in shares and other equity instruments issued by Italian resident companies as well as on securities representative of the same shares or other equity instruments issued by Italian resident companies regardless of the tax residence of the issuer of the certificates. IFTT applies regardless of the tax residence of the parties and/or where the transaction is entered into. IFTT applies on the transfer of shares and equity instruments at a rate of 0.2 per cent., reduced to 0.1 per cent., respectively, if the transaction is executed on a regulated market or a multilateral trading system as defined under Directive 2004/39/CE of States of the European Union or of States of the European Economic Area allowing an adequate exchange of information with the Italian Tax Authorities. The taxable base is the transaction value, which is defined as the consideration paid for the transfer or as the net balance of the transactions executed by the same subject in the course of the same day.

FTT is applicable according to the above rules upon transfer of the above shares and equity instruments upon physical settlement of (securitized or non-securitized) derivative financial instruments, including warrants.

In addition, IFTT also applies at a fixed amount for each transaction (ranging from euro 0.01875 to euro 200 depending on the notional value of the instrument and the type of underlying financial instrument) on the execution of transactions (i.e., underwriting, negotiation or amendment) on derivative financial instruments, including warrants, if the underlying financial instruments or the underlying reference value is represented for more than 50 per cent. by the market value of Italian equities. To this purpose, Italian equities are defined as shares and other equity instruments issued by Italian resident companies as well as securities representative of the same shares or other equity instruments issued by Italian resident companies, regardless of the tax residence of the issuer of the certificates. IFTT applies under the same rules on securitized derivative financial instruments and certificates, other than debt securities providing for an unconditional obligation of the issuer to pay an amount at maturity at least equal to their nominal value.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EC Council Directive 2003/48/EC (the so-called "*EU Savings Directive*") through Legislative Decree No. 84 of 18 April 2005 ("**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner, and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

LUXEMBOURG TAXATION

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes, the Warrants and the Certificates (together referred to as the "**Instruments**"), should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding Tax and Self-Applied Tax

(a) Non-resident holders of the Instruments

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium, any additional amounts or interest made to non-resident holders of Instruments, nor on accrued but unpaid interest in respect of Instruments, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Instruments held by non-resident holders of Instruments.

(b) Resident holders of the Instruments

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium, any additional amounts or interest made to Luxembourg resident holders of Instruments, nor on accrued but unpaid interest in respect of Instruments, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Instruments held by Luxembourg resident holders of Instruments.

Under the Law payments of interest or similar income made or ascribed by a Luxembourg paying agent (within the meaning of the Law) to or for the benefit of an individual beneficial owner who is resident of Luxembourg or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with European Council Directive 85/611/EC or for the exchange of information regime) will be subject to a withholding tax of 10 per cent. (the "**10 per cent. Withholding Tax**").

Pursuant to the Law, Luxembourg resident individuals acting in the course of the private wealth can opt to self-declare and pay a 10 per cent. tax (the "**10 per cent. Self-Declared Tax**") on interest payments made on or after 31 December 2007 by paying agents (within the meaning of the Law) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments.

The 10 per cent. Withholding Tax or the 10 per cent. Self-Declared Tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Payments of interest under the Instruments coming within the scope of the Law would be subject to the 10 per cent. Withholding Tax, or the 10 per cent. Self-Declared Tax.

SPANISH TAXATION

The following is a general description of the Spanish withholding tax treatment and indirect taxation of payments under the Instruments. The statements herein regarding Spanish taxes and withholding taxes in Spain are based on the laws in force as well as administrative interpretations thereof in Spain as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retrospective basis. It does not purport to be a complete analysis of all tax considerations relating to the Instruments, whether in Spain or elsewhere, which may be relevant to a decision to subscribe for, purchase, own or dispose of the Instruments and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers of the Instruments should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Instruments and receiving payments of interest, principal and/or other amounts under the Instruments and the consequences of such actions under the tax laws of Spain. This overview regarding Spanish taxes and withholding taxes in Spain is made assuming that any of the Issuers do not act through a permanent establishment in Spain, and is based upon Spanish law, as well as administrative interpretations, as in effect on the date of this Base Prospectus, which may change at any time, possibly with retrospective effect.

Personal Income Tax ("PIT") / Corporate Income Tax ("CIT") / Non Resident Income Tax ("NRIT")

(a) Spanish resident individuals

(i) Warrants

Following the criterion of the Spanish Directorate-General for Taxation in several rulings (amongst others, rulings dated 27 August 2007, 23 May 2007 and 29 May 2013), income earned by Spanish resident individuals under Warrants should be considered as capital gains. Therefore, payments under the warrants will not be subject to Spanish withholding tax. Notwithstanding that, Spanish resident individuals recognising capital gains in respect of their investment in the warrants may be subject to PIT chargeable at the applicable rate.

(ii) Certificates and Notes

(A) Interest payments under the Certificates and Notes

Income earned by Spanish resident individuals under Certificates and Notes is not subject to Spanish withholding tax. Notwithstanding the above, Spanish resident individuals earning such income will still be subject to PIT, at the applicable rate, to be declared in their annual tax returns.

However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the PIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount resulting from applying the average tax rate to the taxable base effectively taxed abroad.

(B) Income upon transfer or redemption of the Certificates and Notes

Income earned upon transfer or redemption of the Certificates and Notes is not subject to Spanish withholding tax. Notwithstanding the above, Spanish resident individuals earning such income will still be subject to PIT, at the applicable rate, to be declared in their annual tax returns.

(b) Spanish resident companies**(i) Warrants**

Income earned under Warrants shall be considered as capital gains, in which case no Spanish withholding tax will have to be deducted.

(ii) Certificates and Notes

Interest payments under the Certificates and Notes and income upon transfer or redemption of the Certificates and Notes is not subject to Spanish withholding tax.

Spanish resident companies earning income under the Warrants, Certificates or Notes will be subject to CIT, to be declared in their annual tax returns, at the applicable rate.

(c) Individuals and companies with no tax residency in Spain**(i) Income obtained through a permanent establishment**

The tax rules applicable to income deriving from the Instruments under NRIT in this scenario are, generally, the same as those previously set out for Spanish resident companies, subject to the provisions of any relevant double tax treaty.

(ii) Income obtained without a permanent establishment

Income obtained by investors residing outside Spain and without a permanent establishment within the Spanish territory would not be considered, in general terms, as Spanish-source income and, therefore, would not be subject to taxation and withholding tax in Spain.

Net Wealth Tax ("NWT")

Only individual holders of Instruments would be subject to the NWT as legal entities are not taxable persons under NWT.

Relevant taxpayers will be (i) individuals who have their habitual residence in Spain regardless of the place where their assets or rights are located or could be exercised; and (ii) non-Spanish resident individuals owning assets or rights which are located or could be exercised in Spain, when in both cases their net wealth is higher than a specified amount (EUR 700,000, for 2015) as this amount is considered as exempt from NWT.

Taxpayers should include in their NWT self-assessment the Instruments for the following amounts:

- (a) if they are listed in an official market, the average negotiation value of the fourth quarter; and
- (b) in other case, its nominal value (including redemption premiums).

The value of the Instruments together with the rest of the taxpayer's wealth, once reduced by the deductible in rem liens and encumbrances which reduce the rights and assets values and the personal debts of the taxpayer, shall be taxed at a tax rate between 0.2 to 2.5 per cent. for 2015.

Finally, please note that the Spanish regions are entitled to modify (i) the threshold of net wealth exempt from taxation; (ii) the tax rates; and (iii) the tax benefits and exemptions to be applied in their territory.

Inheritance and Gift Tax ("IGT")**(a) Individuals with tax residency in Spain**

Individuals resident in Spain who acquire ownership or other rights over any Instruments by inheritance, gift or legacy will be subject to IGT. The applicable effective tax rates range between 7.65 per cent. and 81.6 per cent. for 2015, depending on several factors such as family relationship and pre-existing heritage. However, it is necessary to take into account that the IGT (including certain tax benefits) has been transferred to the Spanish regions. Therefore,

an analysis must be made in each specific case to determine to what extent any regional legislation might be applicable, since there might be differences in respect of the final taxation under IGT depending on the region in which an investor resides.

(b) Companies with tax residency in Spain

Companies resident in Spain are not subject to IGT, as income obtained will be subject to CIT.

(c) Individuals and companies with no tax residency in Spain

Non-Spanish resident individuals that acquire ownership or other rights over the Instruments by inheritance, gift or legacy, will not be subject to IGT provided that the Instruments were not located in Spain and the rights deriving from them could not be exercised within Spanish territory.

The acquisition of Instruments by non-resident companies is not subject to the IGT, as income obtained will be subject to the NRIT.

Value Added Tax, Transfer Tax and Stamp Duty

Acquisition and transfer of Instruments, in principle, shall not trigger Transfer Tax and Stamp Duty, nor will they be taxable under Value Added Tax.

SWEDISH TAXATION

The following discussion is a summary of certain material Swedish tax considerations relating to (i) Instruments issued by any of the Issuers where the Holder is tax resident in Sweden or has a tax presence in Sweden or (ii) Instruments where the Paying Agent or custodian is located in Sweden. This summary of certain tax issues that may arise as a result of holding Instruments is based on current Swedish tax legislation and is intended only as general information for Holders of Instruments who are resident or domiciled in Sweden for tax purposes. This description does not deal comprehensively with all tax consequences that may occur for Holders of Instruments, nor does it cover the specific rules where Instruments are held by a partnership or are held as current assets in a business operation. Moreover, this summary does not cover Instruments held on a so-called investment savings account (Sw: investeringsparkonto). Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, mutual funds and persons who are not resident or domiciled in Sweden. It is recommended that potential applicants for Instruments consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of Instruments, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.

Taxation of individuals resident in Sweden

Income from capital category

For individuals and estates of deceased Swedish individuals capital gains, interest payments, dividends and other income derived from the holding of an asset should be reported as income from capital category.

Capital gains and losses

Individuals and estates of deceased Swedish individuals, who sell their Instruments, are subject to capital gains taxation. The current tax rate is 30 per cent. of the gain. The capital gain or loss is equal to the difference between the sales proceeds after deduction of sales costs and the acquisition cost of the Instruments. The acquisition cost is calculated according to the so-called average method. This means that the costs of acquiring all Instruments of the same type and class are added together and calculated collectively, with respect to changes to the holding. Optionally, the so-called standard rule under which the acquisition cost is deemed to be the equivalent of 20 per cent. of the net sales price may be applied on the disposal of listed notes that are taxed in the same manner as shares. A note should be regarded as listed for Swedish tax purposes if it is listed on the Regulated Market of the Luxembourg Stock Exchange or any other foreign market that is considered as a stock exchange under Swedish tax law.

As a main rule, 70 per cent. of a capital loss is deductible against any other taxable income derived from capital.

Capital losses on listed Instruments that are taxed in the same manner as shares, are, however, fully deductible against taxable capital gains on such assets or capital gains on listed as well as non-listed shares in Swedish limited liability companies and foreign legal entities. Any excess amount is deductible at 70 per cent., according to the main rule.

Capital losses on listed Instruments qualifying as Swedish receivables (i.e. denominated in SEK) are currently fully deductible in the capital income category. Moreover, under EC law even such receivables denominated in foreign currency are fully deductible.

If a deficit arises in the income from capital category, a reduction of the tax on income from employment and from business, as well as the tax on real estate, is allowed. The tax reduction allowed amounts to 30 per cent. of any deficit not exceeding SEK 100,000 and 21 per cent. of any deficit in excess of SEK 100,000. Deficits may not be carried forward to a subsequent fiscal year.

Interest

Interest as well as other income derived from the holding of an asset is subject to tax at a rate of 30 per cent. The tax liability arises when the interest (or other income) is actually paid, in accordance with the so-called cash method.

Classification of various Notes and return on such Notes for tax purposes

Equity linked notes

Equity linked notes constitute securities that are taxed in the same manner as shares.

Any fixed, guaranteed return is taxed as interest and does not form part of any capital gain. Floating payments that cannot be predicted (based on the performance of an Underlying Asset, such as an index) are classified as capital gains or, if the payoff is provided before the note is sold, other income derived from the holding of an asset.

Upon disposal prior to maturity an annual guaranteed return shall be regarded as interest compensation. Any remaining amount shall be treated as capital gain or loss. The acquisition cost for the instrument is calculated to equal the difference between the price paid for the note and any interest compensation amount.

At redemption, a yearly guaranteed return is regarded as interest, whereas any remaining part of a yearly floating return shall be treated as other income derived from the holding of an asset. The remainder is taxed as a capital gain or loss.

Combination notes

Combination notes are considered as receivables for tax purposes (i.e. not as notes taxed in the same manner as shares) if more than 50 per cent. of the return on the instrument derives from assets other than equity. The assessment is made at the time of the issue.

Classification of various securities for tax purposes

Certificates and Warrants linked to equity (e.g. an equity index) are taxed in the same manner as shares provided that the return derives from equity.

Certificates and Warrants, whose underlying assets are related to claims in SEK, or to one or several interest indices, are treated as Swedish receivables. If the underlying assets are related to foreign currency or claims in foreign currency, or if the securities relate to one or several indices depending on foreign currency, the securities are treated as foreign receivables.

Commodity linked certificates and warrants should qualify as so-called "other assets".

Certificates and Warrants with a return deriving from a combination of equity and other assets, are taxed in the same manner as shares should more than 50 per cent. of the return on the security derive from equity. The assessment is made at the time of the issue.

Withholding of tax

There is no Swedish withholding tax at source (*källskatt*) applicable on payments made by the Issuer in respect of the Instruments. Sweden operates a system of preliminary tax (*preliminärskatt*) to secure payment of taxes. In the context of the Instruments a preliminary tax of 30 per cent. will be deducted from all payments treated as interest in respect of the Instruments made to any individuals or estates that are resident in Sweden for tax purposes provided the paying entity is tax resident in Sweden and subject to reporting obligations. A preliminary tax of 30 per cent. will also be deducted from any other payments in respect of the Instruments not treated as capital gains, if such payments are paid out together with payments treated as interest. Depending on the relevant Holder's overall tax liability for the relevant fiscal year the preliminary tax may contribute towards, equal or exceed the Holder's overall tax liability with any balance subsequently to be paid by or to the relevant Holder, as applicable.

Stamp duty

There is no stamp duty on the issuing, transfer or redemption of Instruments in Sweden.

Taxation of Swedish legal entities

Limited liability companies and other legal entities, except for estates of deceased Swedish individuals, are taxed on all income (including income from the sale of Instruments) as income from business activities at a flat rate of 22 per cent. Regarding the calculation of a capital gain or loss and the acquisition cost, see "Taxation of individuals resident in Sweden" above. However, interest income as well as other income derived from the holding of an asset is taxed on an accruals basis.

Capital losses on Instruments that are taxed in the same manner as shares (see further above) incurred by a corporate holder of an Instrument may only be offset against taxable capital gains on shares or such notes. Such capital losses may also, under certain circumstances, be deductible against capital gains on shares and Instruments that are taxed in the same manner as shares within the same group of companies, provided the requirements for group contributions (tax consolidation) are met.

Capital losses on shares and Instruments that are taxed in the same manner as shares which are not deducted against capital gains within a certain year may be carried forward and offset against taxable capital gains on shares and notes taxed in the same manner as shares in the future.

For limited liability companies and economic associations, capital gains on shares and certain share related rights held for business purposes are tax exempt. As a result, capital losses on shares and share related rights that are held for business purposes are not deductible. Instruments under this offer are not treated as share related rights held for business purposes. However, a capital loss on the Instruments is not deductible should the underlying assets, directly or indirectly, consist of shares or certain share related rights held for business purposes.

As mentioned above, there is no stamp duty on the issuing, transfer or redemption of Instruments in Sweden.

UNITED KINGDOM TAXATION

The following is a summary of the United Kingdom withholding tax treatment of payments under the Instruments, of certain other United Kingdom tax considerations relating to the acquiring, holding, exercising or disposing of Instruments and of certain aspects of the United Kingdom stamp duty and stamp duty reserve tax treatment of the issue, transfer and exercise of Instruments. It is based on current United Kingdom tax law and HM Revenue & Customs' ("HMRC") published practice. The comments only apply to Holders that are the beneficial owners of Instruments who acquire and hold Instruments as an investment and do not apply to certain classes of person (such as unit trusts, open-ended investment companies, persons connected with the relevant Issuer and persons carrying on a trade of dealing in financial instruments) to whom special rules may apply. The comments are intended as a general guide and should be treated with appropriate caution, particularly since the precise provisions of the Final Terms could alter the tax treatment of any given Instruments. This

summary is not intended to be exhaustive and does not cover any issues or taxes not expressly covered; nor should it be considered legal or tax advice to any person. The summary does not take into account the effect of any overriding anti-avoidance principles or legislation that may apply to Holders in their particular circumstances or to any wider arrangements to which they may be a party. Each potential purchaser is advised to consult its own tax adviser as to the United Kingdom tax consequences attributable to acquiring, holding, exercising and disposing of Instruments and as to other United Kingdom and non-United Kingdom applicable taxes. Please note, in particular, that the position of an individual Holder who is temporarily non-resident, and that of Holders within the charge to UK corporation tax, are not covered below.

The references to "interest" in this United Kingdom taxation section mean "interest" as understood in United Kingdom tax law. The statements do not take account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Instruments or any related documentation. In particular, any premium element of the redemption amount of any Instruments redeemable at a premium and any Additional Amounts payable under W&C Instruments may constitute a payment of interest.

Potential purchasers who are resident for tax purposes in the United Kingdom but who are not United Kingdom-domiciled should consult their own tax advisers as to which Instruments do or do not benefit from a non-United Kingdom situs treatment for the purposes of relevant United Kingdom taxes.

United Kingdom Withholding Tax on Instruments

There should be no requirement for United Kingdom tax to be withheld on payments under the Instruments which do not have a United Kingdom source.

Provisions of information in respect of certain payments under the Instruments

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest (including the amount payable on the redemption of a security constituting a deeply discounted security (see definition below)); and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

W&C Instruments

Holders not within the charge to United Kingdom corporation tax

The following applies to Holders who are resident in the United Kingdom, other than Holders who are within the charge to corporation tax. **Each potential purchaser of W&C Instruments is advised to consult its own tax adviser as to the United Kingdom tax consequences of acquiring, holding, exercising and disposing of W&C Instruments as the taxation of W&C Instruments is particularly complex and sensitive to the precise terms of the relevant W&C Instrument.**

Qualifying options

The United Kingdom tax treatment of W&C Instruments will depend upon the particular facts and circumstances of the Holder. On the assumption that he or she will hold the W&C Instruments as investment assets, the UK tax treatment will also depend upon whether or not they are "qualifying options".

A W&C Instrument is unlikely to be an "option" (and therefore is unlikely to be a "qualifying option") unless it satisfies all of the following conditions:

- (a) there are no Additional Amounts payable under the terms of the W&C Instrument;
- (b) the W&C Instruments are not designed to produce a return equivalent to money invested at interest;
- (c) there is no floor or other minimum amount payable under the terms of the W&C Instruments; and
- (d) the return on the W&C Instruments is calculated with direct reference to fluctuations in the value of an underlying Reference Item or Items.

Any potential Holder should note, however, that, even if a W&C Instrument satisfies all of these conditions it may nevertheless not be an "option" for United Kingdom tax purposes. Whether or not a W&C Instrument is an option will depend on its precise terms. If a W&C Instrument is an option then it will not be a "qualifying option" unless either:

- (a) it is listed on a "recognised stock exchange" or a "recognised futures exchange" for the purposes of section 144(8) TCGA (as defined below); or
- (b) it is a "financial option" for the purposes of that section.

W&C Instruments which constitute "qualifying options" for the purposes of section 143 of the Taxation of Chargeable Gains Act 1992 ("TCGA") are generally assets to the disposal and exercise of which the TCGA applies. Accordingly, a disposal or exercise of such W&C Instruments by a Holder may give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains.

In circumstances where a "qualifying option" is exercised and settled by Physical Delivery, generally the exercise will not be treated as a disposal giving rise to chargeable gains or allowable losses. Instead, the acquisition and exercise of the option is treated as a single transaction and the cost of acquiring the option is treated as part of the cost of acquiring the underlying asset acquired on exercise.

W&C Instruments which are not "qualifying options"

Where W&C Instruments are not qualifying options then different United Kingdom tax considerations may apply. The W&C Instrument may be treated as a debt security, in which case potential purchasers should refer to the section below entitled "Notes", however further considerations may affect the analysis, depending on the terms of the W&C Instrument.

Notes

Holders not within the charge to United Kingdom corporation tax

The following applies to Holders who are resident in the United Kingdom, other than Holders who are within the charge to corporation tax. **Each potential purchaser of Notes is advised to consult its own tax adviser as to the United Kingdom tax consequences of acquiring, holding and disposing of Notes.**

Interest

Any interest, discount or premium payable on the Notes will generally be subject to United Kingdom income tax by direct assessment even where paid without withholding.

Accrued Income Scheme

Holders should have regard to the provisions of the Accrued Income Scheme (the "**Scheme**") which may apply to Holders transferring Notes that bear interest or to persons to whom such Notes are transferred. The charge to tax on income that may arise under the Scheme will be in respect of an amount representing interest on the Notes which has accrued since the preceding interest payment date. This amount will be taken into account in determining any chargeable gain or loss arising on a disposal of the Notes.

However, where a Note constitutes a "variable rate security" for the purposes of the Scheme, the amount of accrued interest deemed to be received as income by a Holder upon transfer would be such amount as is just and reasonable in the circumstances, and the transferee will not be entitled to any credit under the Scheme to set against any actual or deemed interest that is received or is deemed received by the transferee after the transfer.

Taxation of discount and premium

Generally where the amount payable on maturity, or any other occasion when the Note can be redeemed (other than those which are ignored because they satisfy the "third party option condition" or the "commercial protection condition" for the purposes of section 431 of the Income Tax (Trading and Other Income) Act 2005 ("**ITTOIA**")), will or may exceed the issue price by more than 0.5 per cent. of the redemption amount for each year in the redemption period, up to a maximum of 30 years, those Notes will constitute deeply discounted securities, subject to certain exceptions. It is not considered that Notes would be regarded as deeply discounted securities merely by reason of the fact that they are denominated in a currency other than sterling. Where Notes constitute "deeply discounted securities", a Holder may be liable to United Kingdom income tax on any profits (generally, the amount by which any sum payable on the transfer or redemption of the Note exceeds its acquisition price) made on the sale or other disposal (including redemption) of such Notes.

Where Notes are issued at a redemption premium as opposed to being issued at a discount, then where such premium does not constitute a payment of interest such Notes may constitute "deeply discounted securities" (as mentioned above).

Notes which are "deeply discounted securities" are qualifying corporate bonds and are therefore not subject to tax on chargeable gains.

Notes which constitute "excluded indexed securities" for the purposes of section 433 ITTOIA will, notwithstanding that they may satisfy the above requirements, not be treated as "deeply discounted securities" and therefore any gain will generally be, subject to the Holder's personal circumstances, within the charge to United Kingdom tax on capital gains. A security will only be an "excluded indexed security" for these purposes if the amount payable on redemption is determined by applying to the amount for which the Notes were issued the percentage change (if any) over the Note's redemption period in (a) the value of chargeable assets (within the meaning of section 433 ITTOIA) of a particular description, or (b) an index of the value of such assets. The fact that a Note provides for a minimum amount payable on redemption not exceeding 10 per cent. of the issue price will not prevent it from satisfying this requirement and any interest payable on redemption is ignored in determining the amount payable on redemption for these purposes.

Capital gains tax

Where Notes (other than "deeply discounted securities") are denominated in sterling and are not capable of redemption in or by reference to any foreign currency they may be treated as qualifying corporate bonds so that no United Kingdom taxation on chargeable gains or allowable losses will arise on any sale, redemption or other disposal. This depends upon the Notes comprising "normal commercial loans" (for the purposes of section 117(1) TCGA) which may not be the case where, for example, the Notes contain a right to acquire other shares or securities, or to a return which depends on the results of the Issuer's business or any part of it. A Note which carries a return expressed in sterling which is determined by reference to the value at any time of any other currency or asset will not be treated as being denominated in sterling for these purposes, and accordingly will not be a qualifying corporate bond.

Where Notes are denominated in a currency other than sterling or do not comprise normal commercial loans, then provided they are not deeply discounted securities they will generally be chargeable assets

for the purposes of United Kingdom capital gains tax with the result that any gain or loss arising on a disposal may, depending on the Holder's personal circumstances, give rise to a charge to United Kingdom tax on capital gains or an allowable loss.

Holders not resident in the United Kingdom

Payments on the Instruments that have a United Kingdom source may be subject to income tax by direct assessment even when paid without withholding or deduction.

However, where such payments received without withholding or deduction for or on account of United Kingdom tax constitute interest or annual payments, such amounts will not be chargeable in the hands of a Holder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Holder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency or, in the case of a company, a permanent establishment in connection with which such amounts are received or to which the Instruments are attributable.

Where payments on Instruments have been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover part of the tax deducted if that is provided for in an applicable double tax treaty between the country of residence of the Holder and the United Kingdom. Holders may also be entitled to a reduction in the rate of or exemption from tax on United Kingdom source payments if provided for in an applicable double tax treaty between the country of residence of the Holder and the United Kingdom.

Holders not resident in the United Kingdom will not be within the charge to United Kingdom tax on chargeable gains in respect of any Instruments save broadly where Instruments are held in or used for the purposes of a trade carried on by the non-resident through a branch or agency or, in the case of a company, a permanent establishment, and subject also to certain rules that apply in the case of individuals that are temporary non-residents.

United Kingdom Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

Issue

No stamp duty or SDRT should arise on the issue of Instruments which do not provide for Physical Delivery.

In relation to Instruments which provide for Physical Delivery and constitute unconditional agreements to transfer the Entitlement, no charge to SDRT should arise on issue provided that the Entitlement to be delivered on settlement is not or are not "chargeable securities". In general terms, Entitlements which:

- (a) are not interests in unit trust schemes;
- (b) are issued by a body corporate incorporated outside of the United Kingdom and are not paired with shares issued by a body corporate incorporated in the United Kingdom;
- (c) are not registered in a register kept in the United Kingdom; and
- (d) do not give its holder the right to subscribe for, or otherwise acquire, a security (or an interest in, or right arising out of, a security) registered in a register kept in the United Kingdom,

are not "chargeable securities". Where the Entitlements do constitute "chargeable securities", and are not covered by article 5(2) of the capital duties directive (Council Directive 2008/7/EC), SDRT could be payable on the issue of the relevant Instruments.

In relation to Instruments that provide for Physical Delivery, a Global Instrument or any instrument granting a Global Instrument may be subject to United Kingdom stamp duty if it is executed in the United Kingdom or if it relates to any property situate, or to any matter or thing done or to be done, in the United Kingdom. Even if an instrument is subject to United Kingdom stamp duty, there may be no practical necessity to pay that stamp duty, as United Kingdom stamp duty is not an assessable tax. However, an instrument which is not duly stamped cannot be used for certain purposes in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court.

Transfer

Stamp duty is chargeable on written instruments, and so if transfers of Instruments are effected through a Clearing System otherwise than by way of written instrument then no stamp duty should arise in respect of such a transfer. If a written instrument is used in respect of a transfer by way of sale, then any such instrument which is executed in the United Kingdom or which (if not executed in the United Kingdom) relates to any matter or thing done or to be done in the United Kingdom may be subject to stamp duty unless the Instruments constitute "exempt loan capital", that is they are exempt under section 79 of the Finance Act 1986. Stamp duty would be charged at 0.5 per cent. of the sale consideration. If the consideration paid for a transfer of such Instruments is £1,000 or less and the instrument transferring the Instruments includes an appropriate certificate the stamp duty payable will be reduced to nil.

The Issuers do not intend to keep or maintain any register of securities in the United Kingdom and on the basis that no such register is kept or maintained in the United Kingdom, no SDRT should generally (and subject to the following paragraph) be payable in respect of any agreement to transfer Instruments.

SDRT at 0.5 per cent. may be payable in relation to any agreement to transfer Instruments that provide for Physical Delivery either mandatorily or at the option of the Holder, or otherwise give the Holder the right to acquire stock, shares or loan capital (or interests in or rights arising out of stock, shares or loan capital) in certain bodies corporate with a United Kingdom connection unless such stock, shares or loan capital would qualify as "exempt loan capital". A body corporate will have a United Kingdom connection for these purposes if (i) a register of the relevant stock, shares or loan capital is kept in the United Kingdom by or on behalf of the body corporate; or (ii) the shares are "paired" with shares in a United Kingdom incorporated body corporate within the meaning of s 99(6B) FA 1986.

Where Instruments are issued in bearer form (that is, CBF Warrants and CBF Certificates) (i) which are denominated in sterling or in respect of which there is an option for repayment in sterling or in one or more other currencies (unless that option is exercisable only by the holder), (ii) which are not loan capital Instruments; the first transfer by delivery in the United Kingdom of any such Instrument may attract a compulsory bearer instrument duty at 1.5 per cent. of the value of such Instrument.

Exercise and redemption

United Kingdom stamp duty may be required to be paid in relation to the transfer of an asset (such as stock or marketable securities) following the exercise of a Physical Delivery Warrant or Physical Delivery Certificate or following redemption of a Physical Delivery Note. SDRT may be payable in respect of the agreement to transfer an asset pursuant to a Physical Delivery Warrant or Physical Delivery Certificate following the exercise of the Warrant or Certificate or pursuant to a Physical Delivery Note in connection with redemption of the Note. However, any such liability to SDRT will be cancelled (or, if already paid, will be repaid) if the instrument effecting the transfer is chargeable with stamp duty (or is otherwise required to be stamped) and has been duly stamped within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)

The European Commission has published a proposal (the "**Commission 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**").

The Commission Proposal has a very broad scope and could, if introduced in its current form, apply to certain dealings in Instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments should, however, be exempt. Under the Commission 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 Instruments 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.

Should the FTT be introduced in that form, it would primarily be a tax levied on financial institutions (such as banks, credit institutions and pension funds) in the secondary market. However, such financial institutions may choose to transfer the FTT cost on to the holders of Instruments, who may consequently suffer additional transaction costs.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the proposed FTT remains subject to negotiation between the participating Member States and the scope of such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of the Instruments are advised to seek their own professional advice in relation to the FTT.

OFFERING AND SALE

The Dealers have entered into an Amended and Restated Programme Agreement dated 10 August 2015 (as the same may be amended, restated or supplemented, from time to time, in accordance with the terms thereof, the "**Programme Agreement**"), with MLB, MLCo. and BAC, which sets forth a basis upon which they may from time to time agree to purchase the Instruments. In the Programme Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Instruments under the Programme.

Save for the approval of this Base Prospectus by the CSSF for the purposes of the Prospectus Directive, no action has been or will be taken by MLB, MLCo. or BAC that would permit a public offering of any Instruments or possession or distribution of any offering material in relation to any Instruments in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Instruments, or distribution of any offering material relating to any Instruments, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on MLB, MLCo. or BAC.

UNITED STATES

Notes and Certificates

None of the Notes, the Certificates, the Guarantee and, in certain cases, any securities to be delivered upon exercise or settlement of the Notes or Certificates have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under any U.S. state securities laws. Trading in the Notes and Certificates has not been approved by the CFTC pursuant to the CEA. No Notes or Certificates, or interests therein, or Entitlements (if any) with respect thereto, may be legally or beneficially owned by any United States Person at any time nor offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, within the United States of America (including the U.S. states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "**United States**") or to, or for the account or benefit of, any United States Person (other than distributors). "**United States Person**" means a person which is a "U.S. person" as defined by Regulation S under the Securities Act or a "United States person" as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended, and in U.S. Treasury regulations. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery of any Notes or Certificates made, directly or indirectly, within the United States or to, or for the account or benefit of, a United States Person will not be recognised.

Each Dealer has represented and agreed, and each further dealer or distributor in respect of Notes or Certificates will be required to represent and agree, that it, its affiliates and any person acting on its or their behalf will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Notes or Certificates in the United States or to, or for the account or benefit of, any United States Person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such United States Person. Any person purchasing Notes or Certificates of any Series must represent and agree, or by its purchase will be deemed to represent, acknowledge, certify and agree, with the relevant Issuer, the Guarantor, the Dealer and the seller of such Notes or Certificates for itself and any person for whose account such Notes or Certificates are being purchased that: (i) it is not a United States Person, is not located in the United States and was not solicited to purchase the Notes or Certificates, as applicable, while present in the United States, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Notes or Certificates, as applicable, of such Series so purchased in the United States or to, or for the account or benefit of, any United States Person (other than distributors (as defined in Regulation S)) or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of any United States Person (other than distributors), (iii) it is not purchasing any Notes or Certificates, as applicable, of such Series for the account or benefit of any United States Person (other than distributors) and (iv) it will not make offers, sales, resales, trades, pledges, exercises, redemptions, transfers or deliveries of any Notes or Certificates, as applicable, of such Series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person (other than distributors). Each Dealer has agreed, and each further dealer or distributor in respect of Notes or Certificates will also be required to agree, and any person purchasing Notes or Certificates of any Series must agree, to send each person who purchases any such Notes or

Certificates of such Series from it at or prior to confirmation of sale of any such Notes or Certificates, a written confirmation (which shall include the definitions of "United States" and "United States Person" set forth herein) stating that the Notes or the Certificates, as applicable, the Guarantee and, in certain cases, any securities to be delivered upon exercise or settlement of such Notes or Certificates have not been registered under the Securities Act or any U.S. state securities laws, and trading in such Notes or Certificates, as applicable, has not been approved by the CFTC pursuant to the CEA, and stating that such purchaser agrees that it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver such Notes or Certificates, as applicable, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person.

Prior to the delivery of any Entitlement in respect of a Physical Delivery Instrument, the holder thereof will be required to represent that, *inter alia*, it is not a United States Person, the Note or Certificate, as applicable, was not exercised on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a United States Person in connection with any exercise thereof. In respect of Notes, see "Annex 7 – Additional Terms and Conditions for Physical Delivery Notes" and, in respect of Certificates, see W&C Instruments Condition 30 (*Collection Notices and Settlement (Certificates)*).

Warrants

None of the Warrants of any Series, the Guarantee and, in certain cases, any securities to be delivered upon exercise or settlement of the Warrants have been, or will be, registered under the Securities Act or any U.S. state securities laws. Trading in the Warrants has not been approved by the CFTC pursuant to the CEA. Unless a Series of Warrants is eligible for sale to qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") who are also qualified purchasers ("**QPs**") within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended, and the rules thereunder, in the United States or to, or for the account or benefit of, United States Persons who satisfy such criteria, and otherwise in compliance with Rule 144A, no Warrants of any Series, or interests therein, may at any time be offered, sold, resold, traded, pledged, exercised, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person (other than distributors) or to others for offer, sale, resale, trade, pledge, exercise, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person (other than distributors). Each Dealer has agreed, and each further dealer or distributor in respect of an issue of Warrants will be required to agree, and each holder and each legal and beneficial owner of Warrants will be deemed on purchase to agree, not to engage in hedging transactions with regard to the Warrants unless in compliance with the Securities Act.

If a Rule 144A Warrant eligible for sale in the United States or to, or for the account or benefit of, United States Persons is concurrently eligible for sale to non-United States Persons pursuant to Regulation S under the Securities Act, any person exercising such Warrants will be required to represent either that it is a QIB who is also a QP or that it is not a United States Person. See "Annex 8 – Additional Terms and Conditions for Rule 144A Warrants" and "Notice to Purchasers and Holders of Instruments and Transfer Restrictions".

Each QIB/QP, as a condition to purchasing Rule 144A Warrants, or any legal or beneficial interests therein, will be obligated to enter into and remain in compliance with an Investor Representation Letter executed for the benefit of the Dealer, MLICo. and the Guarantor (together with their respective affiliates and any persons controlling, controlled by or under common control with such Dealer, MLICo. or the Guarantor), pursuant to which it will agree, among other things, that any resales of such Rule 144A Warrants may be effected only to or through MLICo. or the Dealer to another QIB/QP, and otherwise in compliance with Rule 144A.

With respect to Rule 144A Warrants, each purchaser is hereby notified that the offer and sale of such Rule 144A Warrants to it is made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A and that such Rule 144A Warrants are not transferrable except as provided herein and under "Notice to Purchasers and Holders of Instruments and Transfer Restrictions".

Prior to the delivery of the Entitlement in respect of a Physical Delivery Warrant the holder thereof will be required to represent that, *inter alia*, it is not a United States Person, the Warrant was not exercised

on behalf of a United States Person and no cash, securities or other property has been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a United States Person in connection with any exercise thereof. See "Notice to Purchasers and Holders of Instruments and Transfer Restrictions".

In connection with each issue of Warrants (other than Rule 144A Warrants), each Dealer has represented and agreed, and each further dealer or distributor in respect of an issue of Warrants will be required to represent and agree, that without the prior written agreement of MLICo. and BAC it will not at any time offer, sell, resell, trade, pledge, exercise, transfer or deliver, directly or indirectly, Warrants of such Series in the United States or to, or for the account or benefit of, any United States Person (other than distributors (as defined in Regulation S)) or to others for offer, sale, resale, trade, pledge, exercise, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such United States Person (other than distributors). Each Dealer has agreed, and each further dealer or distributor in respect of an issue of Rule 144A Warrants will also be required to agree, and any person purchasing such Rule 144A Warrants must agree, to send each person who purchases any such Rule 144A Warrants from it at or prior to the confirmation of sale, a written confirmation (which shall include the definitions of "United States" and "United States Person" set forth herein) stating that the Warrants, the Guarantee and certain of the securities to be delivered upon exercise or settlement of the Warrants have not been registered under the Securities Act or any U.S. state securities laws, and any trading in the Warrants has not been approved by the CFTC pursuant to the CEA, and stating that such purchaser agrees that it will not at any time offer, sell, resell, trade, pledge, exercise, transfer or deliver Warrants, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person (other than distributors) unless effected to or through MLICo. or the Dealer to another QIB/QP, and otherwise in compliance with Rule 144A. Each of MLICo. and the Guarantor has agreed to sales by MLI to Merrill Lynch, Pierce, Fenner & Smith Incorporated or one of its affiliates for re-sale (a) to persons in the United States and (b) to, or for the account or benefit of, United States Persons, in either case, who are QIBs and also QPs and who enter into and remain in compliance with an Investor Representation Letter, and otherwise in compliance with Rule 144A and the restrictions set forth herein.

Any person purchasing Warrants of any Series (other than a Series of Rule 144A Warrants) must agree or will be deemed on purchase to represent, acknowledge, certify and agree with MLICo., the Guarantor, the Dealer and the seller of such Warrants for itself and any person for whose account such Warrants are being purchased that: (i) it is not a United States Person, is not located in the United States and was not solicited to purchase such Warrants while present in the United States; (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, transfer or deliver, directly or indirectly, any Warrants of such Series so purchased in the United States or to, or for the account or benefit of, any United States Person (other than distributors) or to others for offer, sale, resale, trade, pledge, exercise, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person (other than distributors), (iii) it is not purchasing any Warrants of such Series for the account or benefit of any United States Person (other than distributors) and (iv) it will not make offers, sales, re-sales, trades, pledges, exercises, transfers or deliveries of any Warrants of such Series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any United States Person (other than distributors).

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

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

- (a) if the Final Terms in relation to the Instruments specify that an offer of those Instruments 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 Instruments 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 dates specified in such prospectus or Final Terms, as applicable, and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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 relevant Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Instruments referred to in (b) to (d) above shall require the relevant 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 Instruments to the public**" in relation to any Instruments 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 Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

UNITED KINGDOM

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

- (a) in relation to any Instruments which have a maturity of less than one year (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or BAC; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

THE NETHERLANDS

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Instruments (including rights representing an interest in the

Instruments in global form) which are the subject of this Base Prospectus, shall not be offered, sold, transferred or delivered to the public in The Netherlands unless:

- (a) the Final Terms in relation to the Instruments specify that an offer of those Instruments may be made other than pursuant to Article 3(2) of the Prospectus Directive in The Netherlands (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Instruments which has been approved by the competent authority of The Netherlands or, where appropriate, approved in another Member State and notified to the competent authority of The Netherlands, 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 dates specified in such prospectus or Final Terms, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer; or
- (b) in reliance on Article 3(2) of the Prospectus Directive and provided:
 - (i) such offer is made exclusively to legal entities which are qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "**FSA**") in The Netherlands; or
 - (ii) standard logo and exemption wording are incorporated in the applicable Final Terms, advertisements and documents in which the offer is announced, as required by article 5:20(5) of the FSA; or
 - (iii) such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable.

For the purposes of the above, the expressions: (i) "**an offer of Instruments to the public**" in relation to any Instruments in The Netherlands; and (ii) "**Prospectus Directive**", have the meaning given to them in the paragraph headed "Public Offer Selling Restriction under the Prospectus Directive".

Instruments that qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake Spaarbewijzen*) in definitive form may only be transferred and accepted through the mediation of the relevant Issuer or a member of Euronext Amsterdam N.V. in accordance with the Savings Certificates Act. Such restrictions do not apply (a) to a transfer and acceptance of Instruments in definitive form between individuals not acting in the conduct of a business or profession, (b) to the transfer and acceptance of Instruments in definitive form within The Netherlands if all Instruments (either in definitive form or as rights representing an interest in the Instruments in global form) are issued outside The Netherlands and are not distributed within The Netherlands in the course of primary trading or immediately thereafter or (c) to the initial issue of such Instruments to the first holders thereof. If the Savings Certificates Act is applicable, certain identification requirements in relation to the issue, transfer of or payment on the Instruments will have to be complied with. For the purposes of this paragraph Instruments that qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake Spaarbewijzen*) are Instruments that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due prior to maturity or on which no interest is due whatsoever.

The Guarantor does not have an authorisation from the Dutch Central Bank (*De Nederlandsche Bank N.V.*) pursuant to the FSA for the pursuit of the business of a credit institution in The Netherlands and therefore does not have a licence pursuant to section 2:11(1), 2:12(1), 2:13(1) or 2:20(1) of the FSA.

ARGENTINA

The Issuers have not made, and will not make, any application to obtain an authorisation from the *Comisión Nacional de Valores* (the "**CNV**") for the public offering of the Instruments in Argentina. The CNV has not approved the Instruments, the offering, nor any document relating to the offering or issuance of the Instruments. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any of such Instruments in Argentina, except in transactions that will not constitute a public offering of Instruments within the meaning of Sections 2 and 83 of the Argentine Capital Markets Law No 26,831. Argentine insurance companies may not purchase the Instruments.

AUSTRALIA

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that it:

- (a) must not make any offer or invitation in Australia or which is received in Australia in relation to the issue, sale or purchase of any Instruments unless the offeree or invitee is required to pay at least A\$500,000 for the Instruments or its foreign currency equivalent (in either case disregarding amounts, if any, lent by the relevant Issuer or other person offering the Instruments or its associates (within the meaning of those expressions in Part 6D.2 of the Corporations Act 2001 (Cth.) of Australia (the "**Australian Corporations Act**"))), or it is otherwise an offer or invitation in respect of which by virtue of section 708 of the Australian Corporations Act no disclosure is required to be made under Part 6D.2 of the Australian Corporations Act and provided that in any case the offeree or invitee is not a retail client (within the meaning of section 761G or section 761GA of the Australian Corporations Act); and
- (b) has not circulated or issued and must not circulate or issue a disclosure document relating to the Instruments in Australia or which is received in Australia which requires lodging under Division 5 of Part 6D.2 or under Part 7 of the Australian Corporations Act.

Neither of the Issuers nor the Guarantor is authorised under the Banking Act 1959 of the Commonwealth of Australia (the "**Australian Banking Act**") to carry on banking business and is not subject to prudential supervision by the Australian Prudential Regulation Authority. The Instruments are not Deposit Liabilities under the Australian Banking Act.

BAHRAIN

Any offer of Instruments under this Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus has not been and will not be registered as a prospectus with the Central Bank of Bahrain (the "**CBB**"). Accordingly, no Instruments may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Instruments, whether directly or indirectly, to persons in the Kingdom of Bahrain. The CBB has not reviewed or approved this Base Prospectus and it has not in any way considered the merits of the Instruments to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. The Instruments are only available for subscription to existing accredited investors. This Base Prospectus is intended to be read only by the person to whom it is addressed and it may not be shown to, passed to, or otherwise made available to any other person in the Kingdom of Bahrain.

BERMUDA

The Instruments may not be marketed, offered or sold directly or indirectly to the public in Bermuda except in accordance with Bermuda law, and neither this Base Prospectus, which is not subject to, and has not received approval from, either the Bermuda Monetary Authority or the Registrar of Companies and no statement to the contrary, explicit or implicit, is authorised to be made in this regard, nor any offering material or information contained herein relating to the Instruments, may be supplied to the public in Bermuda or used in connection with any offer for the subscription or sale of the Instruments to the public in Bermuda except in accordance with Bermuda law.

Further, neither Issuer has been authorised by the Bermuda Monetary Authority (the "**Authority**") as a Bermuda investment fund and, as such, neither Issuer is supervised or regulated under the Investment Funds Act 2006 of Bermuda. The Authority does not in any way guarantee the performance of the Instruments or the creditworthiness of either Issuer and shall not be liable for the performance or default of the scheme or for the correctness of any opinions or statements expressed. The Instruments

should be viewed as an investment suitable only for investors who can fully evaluate and bear the risks involved.

CAYMAN ISLANDS

The Instruments may not be offered to the public in the Cayman Islands.

PEOPLE'S REPUBLIC OF CHINA

No offering document has been filed with or approved by the People's Republic of China (the "**PRC**") (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan) authorities, and is not an offer of Instruments (whether public offering or private placement) within the meaning of the Securities Law or other pertinent laws and regulations of the PRC. No offering document shall be delivered to any party who is not an intended recipient or offered to the general public if used within the PRC, and the Instruments so offered cannot be sold to anyone that is not a qualified purchaser of the PRC. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Instruments are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC, except under circumstances that will result in compliance with applicable laws and regulations. Structured products shall not be offered and resold to the general public of the PRC, directly or indirectly.

For Share Linked W&C Instruments, in respect of which the LEPW Conditions apply and "Shanghai Stock Exchange" or "Shenzhen Stock Exchange" is specified as the "Exchange" in the applicable Final Terms:

W&C Instruments may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, directly or indirectly, in the PRC (excluding Hong Kong, Macau and Taiwan), or to any Domestic Investor. By purchasing any W&C Instruments, any purchaser is deemed to acknowledge and agree to the foregoing, and to represent and agree that:

- (a) it is not (a) a PRC Citizen resident in the PRC (excluding Hong Kong, Macau and Taiwan), (b) a PRC Citizen resident outside the PRC who is not a permanent resident of another country or permanent resident of Hong Kong, Macau or Taiwan, or (c) a Legal Person Registered in the PRC, (each a "**Domestic Investor**");
- (b) (if the purchaser is a trustee for a trust) interests in the trust are not majority-owned by, and the management decision over the trust is not controlled by, one or more Domestic Investor(s). For the avoidance of doubt, in the case only where a trust's investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to control such entity for the purposes of this representation by reason only of it being able to control the decision-making in relation to the entity's financial, investment and/or operating policies;
- (c) to the best of its knowledge and belief after enquiries that it reasonably deems necessary, all amounts paid or to be paid by it in respect of W&C Instruments did not and will not involve moneys financed by or sourced from any Domestic Investor in contravention of the laws and regulations of the PRC; and
- (d) it is purchasing W&C Instruments as principal and not as agent of any person or entity.

"Legal Person Registered in the PRC" means an entity incorporated or organised in the PRC (excluding Hong Kong, Macau and Taiwan).

"PRC Citizen" means any person holding a resident identification card of the PRC (excluding Hong Kong, Macau and Taiwan).

"trust" includes a trust fund or any similar arrangement where the legal title to the trust assets are held by a trustee or legal representative but the beneficial interests in the trust assets are held by beneficiaries; and **"trustee"** shall be construed accordingly.

FRANCE

This Base Prospectus has not been approved by the *Autorité des marchés financiers* ("AMF").

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

- (a) it has only made and will only make an offer of Instruments to the public (*offre au public*) in France or an admission of Instruments to trading on a regulated market in France in the period beginning (i) when a prospectus in relation to those Instruments has been approved by the AMF, on the date of such publication or, (ii) when a prospectus in relation to those Instruments has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Prospectus Directive, on the date of notification of such approval to the AMF and, in either case, when the formalities required by French laws and regulations have been carried out, and ending at the latest on the date which is 12 months after the date of the approval of the prospectus, all in accordance with articles L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or
- (b) it has only made and will only make an offer of Instruments to the public in France or an admission of Instruments to trading on a regulated market in France in circumstances which do not require the publication by the offeror of a prospectus pursuant to the French *Code monétaire et financier* and the *Règlement général* of the AMF; and
- (c) otherwise, it has not offered or sold and will not offer or sell, directly or indirectly, Instruments to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed this Base Prospectus, the applicable Final Terms or any other offering material relating to the Instruments to the public in France, and such offers, sales and distributions have been and will be made in France only to (i) providers of the investment service of portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, acting for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1 to D.411-3, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*. The direct or indirect resale of Instruments to the public in France may be made only as provided by, and in accordance with, articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*.

In addition, each of the Dealers, each Issuer and BAC has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, this Base Prospectus, the applicable Final Terms or any other offering material relating to the Instruments other than to investors to whom offers and sales of Instruments in France may be made as described above.

HONG KONG

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

- (a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Instruments (except for Instruments 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 "**CO**") or which do not constitute an offer to the public within the meaning of the CO; 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 Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if

permitted to do so under the securities laws of Hong Kong) other than with respect to the Instruments that are or are intended to be disposed of (i) only to persons outside Hong Kong or (ii) only to "professional investors" as defined in the SFO and any rules made under the SFO.

INDIA

For Share Linked W&C Instruments in respect of which the LEPW Conditions apply and either (i) "National Stock Exchange of India" or "Bombay Stock Exchange" is specified as the "Exchange" in the applicable Final Terms or (ii) "Pre-IPO Share" is specified as applicable in the applicable Final Terms:

- (a) By the purchase of any W&C Instruments, on the date of purchase and on each day the W&C Instruments are being held, each Holder will be deemed to represent and warrant that its purchase of W&C Instruments is in full compliance with the following selling restrictions (as set out in paragraphs (a) and (b), the "**Sales Restrictions**") and it undertakes and agrees to the Sales Restrictions below:
- (i) W&C Instruments shall not be offered, sold or transferred to (i) an Indian Resident, or (ii) a Non-Resident Indian (each of (i) and (ii), a "**Restricted Entity**"), or (iii) an unregulated Broad Based Fund which is classified as a Category II foreign portfolio investor by virtue of its investment manager being appropriately regulated, other than a Grandfathered Client, or, (iv) a Category III foreign portfolio investor, other than a Grandfathered Client (each of (iii) and (iv), a "**Prohibited Entity**").

For the purposes of these Sales Restrictions:

"Indian Resident" means a Person resident in India as per the following:

- (A) An individual is said to be resident in India in any previous year, if he:
- (1) is in India in that year for a period or periods amounting in all to one hundred and eighty-two days or more; or
 - (2) having within the four years preceding that year been in India for a period or periods amounting in all to three hundred and sixty-five days or more, is in India for a period or periods amounting in all to sixty days or more in that year.
- Provided in relation to clause (2) above the words "sixty days" will be replaced by "one hundred and eighty-two days" for:
- (x) an individual being a citizen of India, who leaves India in any previous year as a member of the crew of an Indian ship as defined in Section 3(18) of the Merchant Shipping Act, 1958, or for the purposes of employment outside India; or
 - (y) for an individual being a citizen of India, or a person of Indian origin within the meaning of Explanation to Section 115C(e) of the Income Tax Act, 1961 (i.e. if he, or either of his parents or any of his grand-parents, was born in undivided India), who, being outside India, comes on a visit to India in any previous year.
- (B) A Hindu undivided family, firm or other association of persons is said to be resident in India in any previous year in every case except where during that year the control and management of its affairs is situated wholly outside India.
- (C) A company is said to be resident in India in any previous year, if:
- (1) it is an Indian company; or
 - (2) during that year, the control and management of its affairs is situated wholly in India.

- (D) Every other person is said to be resident in India in any previous year in every case, except where during that year the control and management of his affairs is situated wholly outside India.

"Non-Resident Indian", as such term is defined in Section 2(vi) of the Foreign Exchange Management (Deposit) Regulations, 2000 as notified by the Reserve Bank of India, means a Person Resident Outside India who is a citizen of India or is a Person of Indian Origin.

"Person" means (A) an individual; (B) a Hindu Undivided Family; (C) a company; (D) a firm; (E) an association of persons or a body of individuals, whether incorporated or not; (F) a local authority; or (G) every artificial juridical person, not falling within any of the preceding categories.

"Person Resident Outside India" means a Person who is not an Indian Resident.

"Person of Indian Origin", as such term is defined in Section 2(xii) of the Foreign Exchange Management (Deposit) Regulations, 2000 as notified by the Reserve Bank of India, means a citizen of any country other than Bangladesh or Pakistan, if (A) he at any time held an Indian passport; or (B) he or either of his parents or any of his grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (C) the person is a spouse of an Indian citizen or a person referred to in sub-clause (A) or (B).

"Broad Based Fund" as the term is defined in Explanation 2 to Regulation 5(b) of the FPI Regulations means a fund, established or incorporated outside India, which has at least twenty investors, with no single individual investor holding more than forty nine per cent. of the shares or units of the fund, provided that (A) if the Broad Based Fund has an institutional investor who holds more than forty nine per cent. of the shares or units in the fund, then such institutional investor must itself be a Broad Based Fund, (B) for the purposes of sub-clause (A), for ascertaining the number of investors in a fund, direct investors as well as underlying investors shall be considered, and (C) for the purposes of sub-clause (B), only investors of entities which have been set up for the sole purpose of pooling funds and making investments, shall be considered for the purpose of determining underlying investors.

"Category II foreign portfolio investor", in terms of Regulation 5(b)(iii) of the FPI Regulations includes Broad Based Funds that are not appropriately regulated but whose investment manager is appropriately regulated, provided that (A) the investment manager of such Broad Based Fund is itself registered as Category II foreign portfolio investor; and (B) the investment manager undertakes that it shall be responsible and liable for all acts of commission and omission of all its underlying Broad Based Funds and other deeds and things done by such Broad Based Funds under the FPI Regulations.

"Category III foreign portfolio investor" as the term is defined in Regulation 5(c) of the FPI Regulations includes all others not eligible under Category I and II foreign portfolio investors such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.

"Grandfathered Client" means an entity which was registered as a client eligible to subscribe for and hold W&C Instruments issued by the Issuer or its associates/affiliates or any other intermediary under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, including any entity which was registered but did not have positions, as on 7 January 2014.

"FPI Regulations" means the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, and notifications, circulars, rules and guidelines of the Securities and Exchange Board of India issued from time to time as may be amended and supplemented from time to time.

- (ii) W&C Instruments shall not be offered, sold or transferred to any person/entity whose controller is a Restricted Entity or a Prohibited Entity.

For the purposes of these Sales Restrictions, a "**controller**" means any person/entity or group of persons (acting pursuant to any agreement or understanding (whether formal or informal, written or otherwise)) that, in respect of a person/entity, who:

- (A) is/are entitled to exercise, or control the exercise of, a majority or more of the voting power of such person/entity; or
- (B) holds or is otherwise entitled to a majority or more of the economic interest in such person/entity; or
- (C) who in fact exercises control over such person/entity.

For the purposes of these Sales Restrictions, "**control**" includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. However, a director or officer will not be considered to be in control, merely by virtue of holding such position.

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

- (iii) W&C Instruments shall only be offered, sold or transferred to:

- (A) a resident of a country whose securities market regulator is a signatory to International Organization of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India ("**SEBI**") which, inter alia, provides for information sharing arrangements under Section 11(2)(ib) of the SEBI Act, 1992;
- (B) where the Holder is a bank, a resident of a country whose central bank is a member of Bank for International Settlements.

- (iv) W&C Instruments shall not be offered, sold or transferred to a resident in a country identified in the public statement of Financial Action Task Force as (A) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or (B) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.

- (v) (A) W&C Instruments shall only be offered, sold or transferred to a person/entity who does not have an Opaque Structure under the terms of the FPI Regulations, or where a person/entity has an Opaque Structure:
 - (1) by virtue of ring fencing its assets and liabilities from other funds or sub-funds, such ring fencing is required by its regulator or under any other applicable law;
 - (2) such person/entity is regulated in its home jurisdiction;
 - (3) each fund or sub-fund, in such person/entity which will be making investments in India through the W&C Instruments satisfies the Broad Based Fund criteria; and

- (4) such person/entity undertakes to provide information regarding its beneficial owners (as such term is defined under the Master circular on Anti Money Laundering Standards or Combating the Financing of Terrorism, issued by SEBI from time to time) as and when the Issuer or SEBI seeks this information, as the case may be.
- (B) Where a person/entity is a multi class share vehicle by constitution and has more than one class of shares or an equivalent structure, W&C Instruments shall only be offered, sold or transferred to such person/entity if: (1) a common portfolio is being maintained for all classes of shares and such person/entity satisfies the Broad Based Fund criteria, or (2) a segregated portfolio is being maintained for separate classes of shares and each class of shares which will be making investments in India through the W&C Instruments satisfies the Broad Based Fund criteria.

For the purposes of this clause (v), the definition of Broad Based Fund will apply *mutatis mutandis* to sub-funds and share classes.

For the purposes of these Sales Restrictions:

"Opaque Structure" as the term is defined in Regulation 32(1)(f) of the FPI Regulations, shall mean any structure such as protected cell company, segregated cell company or equivalent, where the details of the beneficial owners are not accessible or where the beneficial owners are ring fenced from each other or where the beneficial owners are ring fenced with regard to enforcement, where the definition of "beneficial owner" shall be as provided under the Master circular on Anti Money Laundering Standards or Combating the Financing of Terrorism, issued by SEBI from time to time.

- (vi) W&C Instruments shall only be purchased if such purchase would not result in Prohibited Entities indirectly subscribing to or dealing in W&C Instruments in contravention of Regulation 22 of the FPI Regulations.
- (vii) W&C Instruments shall not be purchased by, or offered, sold or transferred to, any person/entity if such purchase, offer, sale or transfer violates any applicable laws (including, without limitation, any legislations, rules, regulations, notifications, circulars or guidelines), or, any orders or directives, which may be issued from time to time, including in relation to the eligibility and permissibility of each purchaser to transact in the W&C Instruments.
- (viii) W&C Instruments shall only be purchased and held by the Holder as a principal for its own account and not as an agent, nominee, trustee or representative of any other person/entity and no agreement or arrangement for the issuance of a back-to-back offshore derivatives instrument ("**ODI**") (as such term is defined for the purposes of the FPI Regulations) can be entered into against the W&C Instruments.
- (ix) W&C Instruments shall not be dealt in or purchased, sold, offered or transferred with the intent of circumventing or otherwise avoiding any requirements applicable under any laws applicable in India (including, without limitation, the FPI Regulations and any restrictions applying to foreign portfolio investors in relation to their issuances and/or other dealings of or in the W&C Instruments with Restricted Entities, Prohibited Entities and any person/entity which is not an Eligible Entity (as defined below) or laws governing dealing in the securities market, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992, Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, each as amended from time to time, together with any modifications thereto or re-enactments thereof).
- (x) W&C Instruments shall only be purchased by, or sold, offered or transferred to, an Eligible Entity.

For the purposes of these Sales Restrictions, "**Eligible Entity**" shall refer to:

- (A) a Person who is regulated by an appropriate foreign regulatory authority; or
- (B) Sovereign Wealth Funds and Foreign Government Bodies, Foreign Central Banks, Foreign Governmental Agencies and International or Multilateral Organisations Agencies; or
- (C) insurance and reinsurance companies, if they are regulated or supervised by the relevant regulator in their concerned foreign jurisdiction in the same capacity in which they propose to make investments in India; or
- (D) university funds and pension funds, and university related endowments already registered with SEBI as of 31 May 2014 as foreign institutional investors or subaccounts, which are regulated or supervised by the relevant regulator in their concerned foreign jurisdiction; or
- (E) Grandfathered Clients.

"Person who is regulated by an appropriate foreign regulatory authority" as the term is defined in Regulation 22 of the FPI Regulations has the same meaning as referred to under Explanation 1 to Regulation 5(b) of the FPI Regulations, means a person shall be considered to be "appropriately regulated" if it is regulated or supervised by the securities market regulator or the banking regulator of the concerned foreign jurisdiction, in the same capacity in which it proposes to make investments in India.

- (xi) W&C Instruments shall only be purchased and held by a person/entity who:
 - (A) is legally permitted to invest in securities outside the country of its incorporation or establishment or place of business;
 - (B) is authorised by its Memorandum of Association and Articles of Association or equivalent document(s) or the agreement to transact in W&C Instruments;
 - (C) is a fit and proper person based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008; and
 - (D) has sufficient experience, good track record, is professionally competent, financially sound and has a generally good reputation of fairness and integrity.
- (xii) W&C Instruments shall only be purchased and held by a person/entity who has not been restricted or constrained (including, without limitation, by any authority, regulator or court), from investing in its home country or overseas, or, convicted for any money laundering related offence.
- (xiii) W&C Instruments or any interest in any W&C Instruments cannot be sold, transferred, assigned or novated or otherwise disposed of and no agreement or arrangement for the issuance of any back-to-back ODIs against the W&C Instruments may be entered into and no agreement or arrangement with respect to any of the foregoing may be entered into by the Holder, its nominees, associates or affiliates (each, a "**Transfer**") with, any person/entity which is a Restricted Entity, a Prohibited Entity or any person or entity which is not an Eligible Entity.
- (b) Further, by the purchase of any W&C Instruments, each Holder of the W&C Instruments is deemed to have agreed and undertaken as follows (and for the avoidance of doubt, such agreements and undertakings shall survive the maturity or expiration date of such W&C Instruments):
 - (i) It will, in the case where it or its nominees, associates or affiliates sell, transfer, assign, novate or otherwise dispose of the W&C Instruments or any interest in any W&C Instruments to, or enter into any back-to-back ODIs or enter into an agreement or arrangement with respect to any of the foregoing with any party, comply with the restrictions in the paragraph entitled "Restrictions on Transfer" below.

- (ii) The relevant Issuer and its associates/affiliates are authorised to provide information in their possession regarding it, any transferee, each of the nominees or associates/affiliates of it and/or the transferee, the W&C Instruments and any breach of the terms of these Sales Restrictions, representations, warranties, agreements and undertaking to any Indian governmental or regulatory authorities (each an "**Authority**") as the relevant Issuer or its associates/affiliates reasonably deems necessary or appropriate in order to comply with regulations or requests of such Authority from time to time, including but not limited to disclosures in periodic reportings made by the relevant Issuer or its associates/affiliates to any Authority.
- (iii) If it is a Grandfathered Client:
 - (A) It will provide the Issuer and its associates/affiliates with such information and documentary evidence (including, but not limited to documentary confirmation that it had subscribed to ODIs issued by other intermediaries, under the erstwhile Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) as may be requested by the Issuer to demonstrate that it is a Grandfathered Client as defined in these Sales Restrictions; and
 - (B) It confirms that there has been no change, and undertakes to inform the Issuer immediately of any change in the future, in the factors which led to it being eligible to subscribe for and hold ODIs in accordance with the erstwhile Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, including but not limited to its status as a Broad Based Fund or the regulated status of its investment manager or adviser.
- (iv) It will and shall ensure that investment (including, synthetically through ODIs) by it, whether directly in its own name as a foreign portfolio investor or as an ODI subscriber, or by entities in the Investor Group to which it belongs, in equity shares of each Indian company is below ten per cent. of the total issued capital of the company and the holder shall provide information in this regard to the Issuer, as and when and in such form and manner as may be required.

For the purpose of these Sales Restrictions, "**Investor Group**" shall include:

- (A) in case of individual investors, the individual and his/her relatives, within the meaning of Section 2(77) of the Companies Act, 2013;
- (B) in case of other investors, all such entities having direct or indirect common shareholding/ beneficial ownership/ beneficial interest of more than 50%, where the common beneficiary owner shall be identified on the basis of (i) shareholding; (ii) voting rights; or (iii) any other forms of control, in excess of 50%, if any.
- (v) It will and shall procure its nominees or associates/affiliates to, provide the relevant Issuer, the Guarantor or any of their respective associates/affiliates (as the case may be) promptly with such additional information that the relevant Issuer, the Guarantor or any of their respective associates/affiliates (as the case may be) reasonably deems necessary or appropriate in order to comply with regulations or requests of any Authority from time to time.
- (vi) It acknowledges that non-compliance with, or breach, violation or contravention of, any terms or obligations under these Sales Restrictions (including, without limitation, any restrictions with respect to a Transfer) ("**ODI Holder Obligations**") may result in non-compliance with, or breach, violation or contravention of, applicable laws, rules, regulations, governmental orders or directions, or in regulatory sanctions or other actions against the relevant Issuer and/or its associates/affiliates and may cause irreparable harm to the relevant Issuer and/or its associates/affiliates. Accordingly, it further acknowledges that, in the event of any noncompliance with, or breach, violation or contravention of any ODI Holder Obligations by it, the relevant Issuer and/or its associates/affiliates may notify any Authority of any such breach, violation or

contravention and exercise any rights and take any measures available to the relevant Issuer and/or its associates/affiliates under the terms of any W&C Instruments including these Sales Restrictions, or any other measures to prevent, avoid, mitigate, remedy or cure such non-compliance, breach, violation or contravention, including but not limited to termination or compulsory redemption of the W&C Instruments by the relevant Issuer or its associates/affiliates.

- (vii) It will and shall notify the Issuer or its associates/affiliates immediately, as soon as the Holder is registered as a Prohibited Entity, either consequent to filing of an application with a Designated Depository Participant or as a result of a re-categorisation, and it shall take all steps as may be required by the Issuer or its associates/affiliates, including, if required, to ensure that the W&C Instruments transaction is terminated immediately and in the manner required by the Issuer; for the purpose of this undertaking and in terms of the FPI Regulations, a Designated Depository Participant refers to a person who has been approved by SEBI under Chapter III of the FPI Regulations and is the intermediary responsible for granting certificates of registration to act as foreign portfolio investor.
- (viii) In the case where it changes investment managers/advisers/sub-managers/sub-advisers (each, a "**Manager/Adviser Transfer**"), it will and shall issue a written notice to the Issuer or its associates/affiliates in such form as the Issuer or its associates/affiliates may determine thirty (30) Hong Kong business days prior to the Manager/Adviser Transfer.
- (ix) It will promptly notify the relevant Issuer, the Guarantor or any of their respective associates/affiliates should any of the Sales Restrictions, representations, warranties, acknowledgements, agreements and undertakings given by it be in breach, changes or no longer holds true.

Restrictions on Transfer

The W&C Instruments are not transferable except in accordance with the procedures set out in the paragraph below entitled "Transfer Procedures" and any Transfer in violation of this restriction shall be absolutely null and void ab initio and shall vest no rights in the purported transferee (such purported transferee, a "**Disqualified Transferee**") and the last preceding holder of such interest that was not a Disqualified Transferee shall be restored to all rights as a holder thereof retroactively to the date of such transfer of such interest by such holder.

Transfer Procedures

Each purchaser of W&C Instruments shall not, and shall ensure that none of its nominees, associates or affiliates shall, Transfer any W&C Instruments unless the following conditions have been satisfied in the absolute determination of the relevant Issuer prior to such Transfer being undertaken in respect of the W&C Instruments:

- (i) each purchaser shall obtain prior written consent of the Issuer and/or the Issuer's associates/affiliates, which consent may be provided or withheld by the relevant Issuer and/or the Issuer's associates/affiliates acting in its absolute discretion;
- (ii) each purchaser shall issue a written notice (a "**Transfer Notice**") to the relevant Issuer in such form as the relevant Issuer may determine for the purpose of obtaining such prior written consent;
- (iii) upon receipt of the Transfer Notice, the relevant Issuer, its associates and affiliates shall have the right to require the person/entity to whom the Transfer is proposed to be made ("**Proposed Transferee**") to provide, and each purchaser shall procure that the Proposed Transferee promptly provides the relevant Issuer or the Issuer's associates/affiliates (as the case may be) with, all such information that the relevant Issuer or such Issuer's associates/affiliates (as the case may be) may require with respect to its or their client on-boarding programme, anti-money laundering programme or other such regulatory compliance programme, policies or procedures, or otherwise for confirming the suitability of the Proposed Transferee to acquire or hold the W&C Instruments;

- (iv) each purchaser shall provide notice of these Sales Restrictions to the Proposed Transferee; and
- (v) the Proposed Transferee shall issue a written undertaking to the relevant Issuer and/or the Issuer's associates/affiliates in such form as the relevant Issuer and/or the Issuer's associates/affiliates may determine in its absolute discretion.

For the avoidance of doubt it is clarified that this paragraph shall not apply: (A) in the event the Transfer is pursuant to a direct sale and purchase of the W&C Instruments to and by the relevant Issuer or its associates or affiliates, or (B) to the registration on behalf of the holder of any W&C Instruments in the name of any custodian, sub-custodian or nominee.

INDONESIA

The instruments offered have not been and will not be registered under the Indonesian Capital Market Law (Law No. 8/1995) and therefore are not authorised by the Financial Services Authority (OJK) in Indonesia as a public offering of securities. Likewise, none of the Instruments, this Base Prospectus, the Final Terms and any marketing materials is authorised by the Central Bank (Bank Indonesia) for their distribution through banking institutions in Indonesia.

Due to the complexity of the instruments offered, the Instruments may not be suitable for certain investors. Investors who intend to buy the Instruments should consult with their financial advisors, brokers or other financial experts before making any decision to buy the Instruments.

ISRAEL

Any offer of Instruments is intended solely for investors listed in the First Supplement of the Israeli Securities Law of 1968, as amended. A prospectus has not been prepared or filed, and will not be prepared or filed, in Israel relating to the Instruments. The Instruments cannot be resold in Israel other than to investors listed in the First Supplement of the Israeli Securities Law of 1968, as amended.

Subject to any applicable law, the Instruments offered hereunder may not be offered or sold to more than 35 offerees, in the aggregate, who are resident in the State of Israel, and are not listed in the First Supplement of the Israeli Securities Law of 1968. No action will be taken in Israel that would permit an offering of the Instruments or the distribution of any offering document or any other material to the public in Israel. In particular, no offering document or other material has been reviewed or approved by the Israel Securities Authority. Any material provided to an offeree in Israel may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been provided directly by the relevant Issuer, the Guarantor or the Dealers.

REPUBLIC OF ITALY

The offering of the Instruments has not been registered with *CONSOB-Commissione Nazionale per le Società e la Borsa* (the Italian Companies and Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Instruments may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Instruments be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined in Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**CONSOB Regulation No. 11971**"), pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**"); or
- (b) in other circumstances which are exempted from the rules on offerings of securities to the public pursuant to Article 100 of the Italian Financial Services Act and Article 34-ter, first paragraph, of CONSOB Regulation No. 11971.

Any offer, sale or delivery of the Instruments or distribution of copies of the Base Prospectus or any other document relating to the Instruments in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act,

Legislative Decree No. 385 of 1 September 1993, as amended (the "**Consolidated Banking Act**"), and Regulation No. 16190 of 29 October 2007 (as amended from time to time); and

- (ii) in compliance with Article 129 of the Consolidated Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Italian Financial Services Act, concerning the circulation of financial products, where no exemption from the rules on offerings of securities to the public applies under (a) and (b) above, the subsequent distribution of the Instruments on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and CONSOB Regulation No. 11971. Furthermore, Article 100-bis of the Italian Financial Services Act affects the transferability of the Instruments in the Republic of Italy to the extent that any placing of the Instruments is made solely with qualified investors and the Instruments are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus has not been published, purchasers of the Instruments who are acting outside of the course of their business or profession may be entitled to declare such purchase null and void and to claim damages from any authorised intermediary at whose premises the Instruments were purchased, unless an exemption provided for by the Italian Financial Services Act applies.

JAPAN

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended, the "**FIEL**"). Each Dealer has represented and agreed, and each further dealer or distributor appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

If the offer is made by way of Qualified Institutional Investors Private Placement as set out in Article 2, Paragraph 3, Item 2(i) or Article 2, Paragraph 4, Item 2(i) of the FIEL (the "**QII Private Placement**"), the Instruments are being offered to qualified institutional investors (the "**QIIs**") as defined in Article 10 of the Cabinet Office Ordinance Concerning the Definition of Terms provided in Article 2 of the FIEL and the investor of any Instruments is prohibited from transferring such Instruments in Japan to any person in any way other than to QIIs. As the offering of the Instruments satisfies the requirements provided in Article 2, Paragraph 3, Item 2(i) or Article 2, Paragraph 4, Item 2(i) of the FIEL, no securities registration statement has been or will be filed under Article 4, Paragraph 1 of the FIEL.

Except in the case the offering is made by way of QII Private Placement, the Instruments are being offered only to a small number of potential investors (i.e., less than 50 offerees, except QIIs who are offered the Instruments pursuant to the QII Private Placement), and the investor of any Instruments (other than the above-mentioned QII investors) is prohibited from transferring such Instruments in Japan to another person in any way other than as a whole to one transferee. As the offering of the Instruments satisfies the requirements provided in Article 2, Paragraph 3, Item 2(ha) or Article 2, Paragraph 4, Item 2(ha) of the FIEL, no securities registration statement has been or will be filed under Article 4, Paragraph 1 of the FIEL.

THE GRAND DUCHY OF LUXEMBOURG

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Instruments which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms will not be

offered or sold to the public in The Grand Duchy of Luxembourg except that the Instruments may be offered to the public in the Grand Duchy of Luxembourg at any time:

- (a) to any person or legal entity which is a qualified investor as defined in the Prospectus Law; or
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Law); or
- (c) in any other circumstances which do not required the publication of a prospectus pursuant to Article 5 of the Prospectus Law.

For the purposes of this provision, the expression "offer to the public" in relation to any Instruments in the Grand Duchy of Luxembourg means the communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments and the expression "**Prospectus Law**" means the law of 10 July 2005 *relative aux prospectus pour valeurs mobilières*, as amended.

MALAYSIA

For Share Linked W&C Instruments in respect of which the LEPW Conditions apply and "Bursa Malaysia" is specified as the "Exchange" in the applicable Final Terms:

The Instruments may not be sold or offered in, or to persons in, the Federation of Malaysia. No action will be taken by the relevant Issuer that would permit a sale or offer in, or to persons in, the Federation of Malaysia.

MAURITIUS

THE OFFERING CONTEMPLATED IN THIS BASE PROSPECTUS IS NOT, AND SHALL NOT UNDER ANY CIRCUMSTANCES BE CONSTRUED AS, A PUBLIC OFFERING IN MAURITIUS OF THE INSTRUMENTS DESCRIBED HEREIN. NEITHER THIS BASE PROSPECTUS NOR THE INSTRUMENTS DESCRIBED HEREIN HAVE BEEN REGISTERED OR QUALIFIED FOR OFFER OR SALE UNDER THE LAWS OF MAURITIUS.

PAKISTAN

For Share Linked W&C Instruments in respect of which the LEPW Conditions apply and either "The Karachi Stock Exchange" or "The Islamabad Stock Exchange" is specified as the "Exchange" in the applicable Final Terms:

The Instruments are not intended to be offered or sold to any person resident in Pakistan. Accordingly, no person receiving in Pakistan a copy of the applicable Final Terms, may treat the same as constituting an invitation or offer to him to purchase or otherwise deal with such Instruments. Further, any dealing in the Instruments by residents of Pakistan may attract restrictions under the Pakistani Foreign Exchange Regulation Act, 1947 (VII of 1947) which restrictions may include procuring the consent of State Bank of Pakistan (the Central Bank).

By the purchase of any Instruments, each holder of such Instruments will be deemed to represent and warrant that it is not a Person who is a resident of Pakistan (a "**Restricted Entity**"). A "**Person**" includes any firm, company, corporation, trust, government, agency, regulatory body, any association or partnership (whether or not having separate legal personality) or any individual, or any combination of two or more of the foregoing. Further, each holder of such Instruments will be deemed to undertake and agree that it is in full compliance with the selling restrictions above and it will not offer, sell or transfer such Instruments to a Restricted Entity.

PANAMA

The Instruments have not been and will not be registered with the National Securities Commission of the Republic of Panama under Decree Law No. 1 of 8 July 1999 (the "**Panamanian Securities Act**") and may not be publicly offered or sold within Panama, except in certain limited transactions exempt from the registration requirements of the Panamanian Securities Act. The Instruments do not benefit

from the tax incentives provided by the Panamanian Securities Act and are not subject to regulation or supervision by the National Securities Commission of the Republic of Panama.

PHILIPPINES

THE INSTRUMENTS BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE SECURITIES REGULATION CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

SINGAPORE

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**") under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**").

Where the Instruments are cash settled or where there is physical delivery of Underlying Asset Linked Instruments which are shares or units of shares (other than shares or other units of a fund or a collective investment scheme) of a corporation (whether incorporated in Singapore or elsewhere) or debentures or units of debentures of an entity, interests in a limited partnership or limited liability partnership formed in Singapore or elsewhere, or such other product or class of products prescribed by the MAS, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Instruments or Underlying Assets or caused the Instruments or Underlying Assets to be made the subject of an invitation for subscription or purchase nor will it offer or sell the Instruments or cause the Instruments to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments or Underlying Assets, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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 Instruments or Underlying Assets 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 (as defined in Section 239(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 Instruments or Underlying Assets pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the Fund Linked Instruments do not provide for any right or interest (including an option) in respect of units in an underlying fund (which is a "collective investment scheme" (as defined in the SFA)), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Fund Linked Instruments or caused the Fund Linked Instruments to be made the subject of an invitation for subscription or purchase nor will it offer or sell the Fund Linked Instruments or cause the Fund Linked Instruments to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Fund Linked Instruments, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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 Fund Linked Instruments 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 (as defined in Section 239(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 Fund Linked Instruments pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

The offer or invitation of the Underlying Assets which constitute units in an underlying fund (the "**Fund**") (which is a "collective investment scheme" (as defined in the SFA) (the "**CIS Reference Items**")) do not relate to a collective investment scheme which is authorised under Section 286 of the SFA or recognised under Section 287 of the SFA. The Fund is not authorised or recognised by the MAS and the CIS Reference Items are not allowed to be offered to the retail public. This Base Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA, and accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. Any investor should consider carefully whether the investment is suitable for it.

This Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the CIS Reference Items may not be circulated or distributed, nor may the CIS Reference Items be offered or sold or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person, or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where CIS Reference Items are subscribed or purchased under Section 305 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 (as defined in Section 239(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 CIS Reference Items pursuant to an offer made under Section 305 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 305A(5) of the SFA; or
- (v) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

Where the Fund Linked Instruments do provide for a right or interest (including an option) in respect of units in a Fund which is a CIS Reference Item, the offer or invitation of the Fund Linked Instruments and CIS Reference Items, which is the subject of this Base Prospectus, does not relate to a collective investment scheme which is authorised under Section 286 of the SFA or recognised under Section 287 of the SFA. None of the Programme, the Issuers and the Guarantor is authorised or recognised by the MAS and the Fund Linked Instruments and the CIS Reference Items are not allowed to be offered to the retail public. This Base Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA, and accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. Any investor should consider carefully whether the investment is suitable for it.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Fund Linked Instruments or CIS Reference Items or caused the Fund Linked Instruments or CIS Reference Items to be made the subject of an invitation for subscription or purchase nor will it offer or sell the Fund Linked Instruments or CIS Reference Items or cause the Fund Linked Instruments or CIS Reference Items to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Fund Linked Instruments or Underlying Assets, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person, or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Fund Linked Instruments or CIS Reference Items are subscribed or purchased under Section 305 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 (as defined in Section 239(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 Fund Linked Instruments or CIS Reference Items pursuant to an offer made under Section 305 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 305A(5) of the SFA; or
- (v) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

SOUTH KOREA

The Instruments have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Instruments have been and will be offered in Korea as a private placement under the FSCMA. None of the Instruments may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). For a period of one year from the issue date of the Instruments, any acquirer of the Instruments who was solicited to buy the Instruments in Korea is prohibited from transferring any of the Instruments to another person in any way other than as a whole to one transferee. Furthermore, the purchaser of the Instruments shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Instruments.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or delivered the Instruments, directly or indirectly, or offered or sold the Instruments to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea and will not offer, sell or deliver the Instruments, directly or indirectly, or offer or sell the Instruments to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FSCMA, the FETL and other relevant laws and regulations of Korea.

SPAIN

The Instruments may not be listed, offered, sold or distributed in Spain, except in accordance with the requirements set out in the Spanish laws transposing the Prospectus Directive in Spain, in particular: Law 24/1988 of 28 July of Securities Markets, (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended and restated (the "**Securities Markets Law**"), and Royal Decree 1310/2005, of 4 November, on admission to trading of securities in official secondary markets, public offerings and prospectus, (*Real Decreto 1310/2004, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de Julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), as amended and restated (the "**Royal Decree 1310/2005**"), or any other related regulations that may be in force from time to time, as further amended, supplemented or restated.

For selling restrictions in respect of Spain, please see "Public Offer Selling Restriction Under the Prospectus Directive" above, with the difference that the exemption envisaged in Article 3(2) (e) of the Prospectus Directive, in Spain it has been set out as follows: "an offer of securities with a total consideration in the Union of less than EUR 5 million which shall be calculated over a period of 12-month, according to Article 30 bis of the Securities Markets Law and Article 38 of the Royal Decree 1310/2005".

SRI LANKA

For Share Linked W&C Instruments in respect of which the LEPW Conditions apply and "The Colombo Stock Exchange" is specified as the "Exchange" in the applicable Final Terms:

No Sri Lankan resident should invest in the Instruments without the approval from the Controller of Exchange.

By purchasing any Instruments, each holder of such Instruments will be deemed to represent and warrant that the Instruments held by it together with any direct holdings of the Underlying Asset would not result in any violations of Sri Lankan law or any disclosures or investment actions being required by it under the Sri Lankan law.

SWITZERLAND

The Instruments may not be publicly offered in Switzerland and (i) each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, (A) publicly offer, sell or advertise the Instruments in or from Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations or the Swiss Federal Act on Collective Investment Schemes, or (B) publicly distribute or otherwise make publicly available this Base Prospectus (including the applicable Final Terms) or any other document related to the Instruments in Switzerland and (ii) each Dealer has acknowledged and agreed, and each further Dealer appointed under the Programme will be required to acknowledge and agree, that neither this Base Prospectus nor any other document related to the Instruments constitutes a prospectus in the sense of Article 652a or 1156 of the Swiss Code of Obligations, or a simplified prospectus in the sense of Article 5 of the Swiss Collective Investment Schemes Act.

Each Dealer has acknowledged and agreed, and each further Dealer appointed under the Programme will be required to acknowledge and agree, that the Instruments do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes and they are not subject to approval or supervision by the Swiss Financial Market Supervisory Authority (FINMA).

TAIWAN

The Instruments may not be issued, sold, or offered in Taiwan. No subscription or other offer to purchase the Instruments shall be binding on the relevant Issuer or the Guarantor until received and accepted by the relevant Issuer or any Dealer outside of Taiwan (the "**Place of Acceptance**"), and the purchase/sale contract arising therefrom shall be deemed a contract entered into in the Place of Acceptance.

For Share Linked W&C Instruments in respect of which the LEPW Conditions apply and either "Taiwan Stock Exchange" or "Taipei Exchange" is specified as the "Exchange" in the applicable Final Terms:

- (A) By the purchase of any W&C Instruments, on the date of purchase and on each day the W&C Instruments are being held, each purchaser will be deemed to represent and warrant that:
 - (a) it is not, and it is not purchasing the W&C Instruments for the benefit or account of (i) any resident of the People's Republic of China (excluding Hong Kong and Macau) (the "**PRC**") or any entity domiciled in the PRC (a "**PRC Person**"), (ii) any entity established outside the PRC (including any entity established in Hong Kong or Macau) that is controlled by PRC Person(s), or (iii) any entity established outside the PRC (including any entity established in Hong Kong or Macau) which is more than thirty per cent. (30 per cent.) owned, directly or indirectly, by PRC Person(s);
 - (b) it is not purchasing the W&C Instruments utilising funds sourced from the PRC or Taiwan; and
 - (c) when purchasing the W&C Instruments, it is not, and is not acting for the benefit or account of any person or entity which is, (i) a director, supervisor, manager or shareholder holding directly or indirectly through nominees, his/her spouse or minor

children more than ten per cent. (10 per cent.) of the shares of a Taiwan company the shares of which are traded on the Taiwan Stock Exchange or Taipei Exchange which are the underlying of the W&C Instruments (an "**Insider**"), or (ii) the spouse or minor child of an Insider; or (iii) a person or entity which would be deemed to be a "nominee" of an Insider.

- (B) Further, by the purchase of any W&C Instruments, each purchaser of the W&C Instruments is deemed to have authorised, instructed and empowered the relevant Issuer, the Guarantor, the Dealer and any of their affiliates to submit all such information and file all such reports with the regulatory authorities of Taiwan regarding the purchaser, the W&C Instruments, or otherwise as may be required by the Taiwan Regulations Governing Investments in Securities by Overseas Chinese and Foreign Nationals or otherwise as may reasonably be requested by Taiwan authorities and waives any objection the purchaser may have thereto on the grounds of confidentiality or otherwise. Each purchaser of the W&C Instruments is also deemed to have undertaken and agreed that it will provide the relevant Issuer, the Guarantor, the Dealer or any of their affiliates or, to the extent permitted by the relevant governmental or regulatory authority, provide directly to such governmental or regulatory authority, such additional information, from time to time, that the relevant Issuer, the Guarantor, the Dealer or any of its affiliates deems necessary or appropriate in order to comply with any request by any governmental or regulatory authority or the court of competent authority or if so required under applicable regulations in Taiwan. For the avoidance of doubt, such authorisation, instruction, undertaking and agreement shall survive the maturity or expiration date of such W&C Instruments.

THAILAND

The Instruments have not been and will not be registered with, or approved by, the Office of the Securities and Exchange Commission of Thailand and, accordingly, the Instruments cannot be directly or indirectly, offered or sold to any person within Thailand. Neither this Base Prospectus nor any other document or material in connection with the offer or sale, or invitation for subscription for or purchase, of the Instruments may be circulated or distributed or caused to be circulated or distributed, whether directly or indirectly, to any persons in Thailand.

For Share Linked W&C Instruments in respect of which the LEPW Conditions apply and "The Stock Exchange of Thailand" is specified as the "Exchange" in the applicable Final Terms:

The W&C Instruments have not been and will not be registered with, or approved by, the Office of the Securities and Exchange Commission of Thailand and, accordingly, the W&C Instruments cannot be directly or indirectly, offered or sold to any person within Thailand. Neither this Base Prospectus nor any other document or material in connection with the offer or sale, or invitation for subscription for or purchase, of the W&C Instruments may be circulated or distributed or caused to be circulated or distributed, whether directly or indirectly, to any persons in Thailand.

By the purchase of any W&C Instruments, on the date of purchase and on each day the W&C Instruments are being held, each purchaser will be deemed to represent and warrant that:

- (i) it is not a Thai person/resident or entity located in Thailand or incorporated under Thai law;
- (ii) it has not been offered or invited to purchase or invest in the W&C Instruments in Thailand;
- (iii) its purchase of, or investment in, the W&C Instruments is made in compliance with all laws and regulations applicable to it; and
- (iv) it is aware that a re-offering or resale of the W&C Instruments by it will have to be made in compliance with the applicable laws of the relevant jurisdictions and it will not re-offer or resell the W&C Instruments in any country in which such action is prohibited.

REPUBLIC OF TURKEY

Pursuant to Article 15(d)(ii) of the Decree No. 32 Regarding the Protection of the Value of Turkish Currency, Turkish residents may freely (i) purchase and sell securities, and other capital market instruments which are traded on the financial markets outside the Republic of Turkey ("**Turkey**"), with

the intermediation of banks, and brokerage entities licensed in Turkey; and (ii) transfer the amount of the purchase price of the securities, and any other capital market instruments, abroad through banks in Turkey. However, the provisions of Capital Market Law (Law No. 6362) and the Communiqué No. VII/128.4 provide that no offer, by any means, of any capital market instruments outside Turkey to Turkish residents can be made without obtaining the necessary approval from the Capital Market Board (the "CMB").

The offering of the Instruments is not approved by the CMB under the provisions of the Capital Market Law (Law No. 6362) and the Communiqué No. VII/128.4 issued thereunder by the CMB. Accordingly, the Instruments cannot be marketed, offered, solicited and consequently sold to Turkish residents without obtaining the necessary approval from the CMB.

No information in this Base Prospectus, any Final Terms or any document thereunder is provided for the purpose of offering, marketing, soliciting and sale by any means of Instruments in Turkey. Therefore, this Base Prospectus, any Final Terms or any document thereunder may not be considered as an offer made or to be made to residents of Turkey.

Therefore, it is agreed and understood by the holder that it cannot offer and/or market the Instruments in Turkey without obtaining the necessary approval from the CMB. However, pursuant to Article 15(d) (ii) of the Decree No. 32 residents of Turkey may freely approach (the first approach must always come from the Turkish resident for the sale and purchase of the Instruments) the holder to purchase the Instruments and may freely purchase and sell the Instruments outside Turkey with the intermediation of banks, and brokerage entities operating in Turkey (authorised pursuant to the CMB regulations) provided that no offer, solicitation or marketing is made by the holder to such Turkish resident for the purpose of sale and purchase of the Instruments.

URUGUAY

The Instruments have not been registered under Law No. 18,627 of 2 December 2009 with the Central Bank of Uruguay. The Instruments are not available publicly in Uruguay and are offered only on a private basis. No action may be taken in Uruguay that would render any offering of the Instruments a public offering in Uruguay. No Uruguayan regulatory authority has approved the Instruments or passed on the solvency of any of the Issuers or the Guarantor. In addition, any resale of the Instruments must be made in a manner that will not constitute a public offering in Uruguay.

VIETNAM

For Share Linked W&C Instruments, in respect of which the LEPW Conditions apply and "Hanoi Stock Exchange" or "Ho Chi Minh Stock Exchange" is specified as the "Exchange" in the applicable Final Terms:

The W&C Instruments may not be offered or sold in Vietnam or to, or for the benefit of, any corporation or entity incorporated under the laws of Vietnam (a Vietnamese entity), any Vietnamese diplomatic agency or Vietnamese entity's representative office established in any foreign country (a Vietnamese offshore entity), any Vietnamese citizen working for a Vietnamese offshore entity and his/her accompanying family members, any Vietnamese citizen residing in Vietnam or residing abroad for a period of less than 12 months, or any foreigner residing in Vietnam for a period of 12 months or more, unless such investors have obtained the prior written approval of the State Bank of Vietnam. Any sale or transfer of the W&C Instruments in violation of these restrictions will be invalid and will not be recognised by or on behalf of the relevant Issuer.

GENERAL

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable securities laws and regulations in force known by it, or which reasonably should have been known by it, in any jurisdiction in which it purchases, offers, sells or delivers Instruments or possesses or distributes this Base Prospectus 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 Instruments 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 delivery and none of the Issuers and the Guarantor shall have any responsibility therefor.

None of the Issuers, BAC and the Dealers represents that Instruments 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.

Neither this Base Prospectus nor any Final Terms constitute, nor may be used for or in connection with, 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 an offer or solicitation. The distribution of this Base Prospectus and the offering and sale of the Instruments may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions.

Without prejudice to the generality of any applicable law, each holder of Share Linked W&C Instruments, in respect of which the LEPW Conditions apply, expressly consents to the disclosure by MLICo. or the Guarantor or any of their respective affiliates to the relevant authorities in the jurisdiction of incorporation or organisation of MLICo. or the Guarantor, Local Jurisdiction (as set out in the applicable Final Terms) or any jurisdiction of tax residence of MLICo. or the Guarantor, information relating to the transaction (including, without limitation, the name of the holder of the W&C Instruments and any dates and amounts specified herein) as may be required in order for MLICo., the Guarantor or any of their respective affiliates to comply with the laws and regulations of the relevant jurisdictions.

Share Linked W&C Instruments, in respect of which the LEPW Conditions apply and Pre-IPO Share is specified to be applicable in the applicable Final Terms, may not be resold or otherwise transferred until notification of the listing of the Shares on the relevant exchange is given to the holders by MLICo.

GENERAL INFORMATION

1. **Authorisation**

The update of the Programme was duly authorised by resolutions of the Directors of MLBV on 4 June 2015 and was duly authorised by the Partners of MLICo. on 28 May 2015. The Guarantee will be issued pursuant to authority granted by the Board of Directors of BAC on 9 December 2008, a Committee duly appointed by the Board of Directors of BAC on 13 October 2010, 15 May 2012 and 29 July 2015 and an Appointment of Committee Members dated 12 August 2013.

2. **Approval, Listing and Admission to Trading**

Application has been made to the CSSF to approve this Base Prospectus as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Instruments to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

3. **Documents Available**

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available from the specified offices of the Principal Paying Agent and the Principal Instrument Agent in London or, if applicable, of the relevant Instrument Agent:

- (a) the constitutional documents of each of MLBV, MLICo. and BAC;
- (b) the BAC 2014 Annual Report;
- (c) the BAC 31 March 2015 Form 10-Q;
- (d) the BAC 30 June 2015 Form 10-Q;
- (e) the BAC Form 8-Ks;
- (f) the BAC 26 January 2015 Form 8-A;
- (g) the BAC 2015 Proxy;
- (h) the MLBV 2013 Accounts and the MLBV 2014 Accounts;
- (i) the MLICo. 2013 Accounts and the MLICo. 2014 Accounts;
- (j) the Guarantee;
- (k) the Agency Agreement, the Notes Deed of Covenant and the W&C Instruments Deed of Covenant;
- (l) the Programme Agreement;
- (m) the Collateral Provider Agreement, each Deed of Charge, the Disposal Agency Agreement, the Security Agency Agreement and the Valuation Agency Agreement (save that each Deed of Charge and the Security Agency Agreement will only be available for inspection by a holder of Secured W&C Instruments relating thereto and such holder must produce evidence satisfactory to the relevant Instrument Agent as to its holding of such W&C Instruments and identity);
- (n) this Base Prospectus; and

- (o) any future prospectuses, Base Prospectus, information memoranda and supplements to this Base Prospectus, any Final Terms or Securities Note and Summary and any other documents incorporated herein or therein by reference.

In addition, a copy of this Base Prospectus, each Final Terms relating to the Instruments which are admitted to trading on the Luxembourg Stock Exchange's regulated market and the documents incorporated by reference herein will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

BAC's filings with the SEC are available through (1) the SEC's website at www.sec.gov, or the SEC's Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and (2) BAC's website at www.bankofamerica.com.

MLBV's filings of its annual accounts, interim financial statements and other regulated information with the Dutch authority for the financial market (*Autoriteit Financiële Markten*, (the "AFM")) are available (i) through the website of the AFM at www.afm.nl, (ii) by calling +31 20-5925-606 or upon written request to MLBV at Amstelplein 1, Rembrandt Tower, 11th Floor, 1096 HA Amsterdam, The Netherlands, and (iii) regarding the annual accounts and interim financial statements, at BAC's website at www.bankofamerica.com.

In order to preserve the exemptions for permitted re-sales and transfers pursuant to Rule 144A, MLICo. and BAC have agreed to furnish, upon the request of any holder of a Rule 144A Warrant or a Regulation S/Rule 144A Warrant or of a beneficial interest therein, such information as is specified in Rule 144A(d)(4) under the Securities Act to such holder or beneficial owner or to a prospective purchaser of such Rule 144A Warrant or a Regulation S/Rule 144A Warrant or interest therein in order to permit such holder or beneficial owner to comply with the requirements of Rule 144A in connection with the re-sale, unless, at the time of such request, MLICo. is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or is included in the list of foreign private issuers that claim exemption from the registration requirements of Section 12(g) of the Exchange Act (and therefore is required to furnish the SEC with certain information pursuant to Rule 12g3-2(b) under the Exchange Act). This information may be obtained during normal business hours on any weekday at the specified office of the Principal Warrant Agent in London or the U.S. Warrant Agent, as applicable.

4. **Clearing Systems**

Information relating to the form of the Instruments and the relevant Clearing Systems is set out under "Form of the Instruments" above.

The address of Euroclear is 1 Boulevard du Roi Albert II B-1210 Brussels, Belgium.

The address of Clearstream, Luxembourg is 42 avenue JF Kennedy, L-1855 Luxembourg.

The address of Clearstream, Frankfurt is Mergenthalerallee 61, 65760, Eschborn, Germany.

The address of Euroclear Sweden is Klarabergsviadukten 63, Box 191, SE-101 23 Stockholm, Sweden.

The address of Euroclear Finland is P.O. Box 1110, 00 101 Helsinki, Finland.

The address of DTC is 55 Water Street, New York, New York 10041, United States.

The address of Euroclear UK is Watling House, 33 Cannon Street, London EC4M 5SB, United Kingdom.

5. Auditors and Financial Statements

MLBV

On 26 April 2013, the Audit Committee of the Board of Directors of BAC approved the engagement of PricewaterhouseCoopers Accountants N.V. ("**PwC N.V.**") as independent accountant of MLBV.

The financial statements of MLBV in respect of the financial years ended 31 December 2014 and 31 December 2013 have been audited by PwC N.V. According to the public register kept by the AFM, PwC N.V. has obtained a licence from the AFM on the basis of the Dutch act on the supervision of audit firms (*Wet toezicht accountantsorganisaties*) to perform statutory audits (*wettelijke controle*) and statutory audits (*wettelijke controle*) in respect of organisations of public interest (*organisaties van openbaar belang*), and is registered in the public register kept by the Dutch professional organisation of accountants (*Nederlandse beroepsorganisatie van accountants*). The address of PwC N.V. in Amsterdam is Thomas R. Malthusstraat 5, 1066 JR Amsterdam, The Netherlands.

MLICo.

On 27 April 2009, the Audit Committee of the Board of Directors of BAC approved the engagement of PricewaterhouseCoopers LLP ("**PwC**") as auditor for MLICo.

The financial statements of MLICo. as of 31 December 2014 and 31 December 2013, which are incorporated by reference into this Base Prospectus, have been audited by PwC. PwC is a member of the Institute of Chartered Accountants of England and Wales. The address of PwC in London is 1 Embankment Place, London WC2N 6RH.

BAC

The financial statements of BAC as of 31 December 2014 and 31 December 2013 and for each of the three years in the period ended 31 December 2014, which are incorporated by reference into this Base Prospectus, have been audited by PwC, an independent registered public accounting firm, with respect to BAC within the meaning of the applicable rules and regulations adopted by the SEC and the Public Company Accounting Oversight Board (United States), as stated in the report incorporated therein. PwC is a member of the American Institute of Certified Public Accountants and is registered with the Public Company Accounting Oversight Board (United States). The address of PwC in the United States is 214 North Tryon Street, Suite 4200, Charlotte, North Carolina 28202, United States.

6. Significant or Material Change

There has been no significant change in the financial or trading position of MLBV or MLICo. since 31 December 2014. There has been no significant change in the financial or trading position of BAC and its subsidiaries on a consolidated basis since 30 June 2015.

There has been no material adverse change in the prospects of MLBV or MLICo. since 31 December 2014. There has been no material adverse change in the prospects of BAC and its subsidiaries on a consolidated basis since 31 December 2014.

7. Litigation

Save as disclosed in (i) the section entitled "Litigation and Regulatory Matters" on pages 215 to 221, being the Litigation and Regulatory Matters section in Note 12 to the Consolidated Financial Statements, of the BAC 2014 Annual Report, and in the BAC 29 April 2015 Form 8-K, which reflects a realignment of BAC's business segments, (ii) the section entitled "Recent Events" on page 5 and the section entitled "Litigation and Regulatory Matters" on pages 186 to 188, being the Litigation and Regulatory Matters section in Note 10 to the Consolidated Financial Statements, of the BAC 31 March 2015 Form 10-Q and (iii) the section entitled "Recent Events" on page 5 and the section entitled "Litigation and Regulatory Matters" on pages 203 to 205, being the Litigation and Regulatory Matters section in Note 10 to the Consolidated Financial Statements, of the BAC 30 June 2015 Form 10-Q, none of MLBV,

MLICo. or BAC or any subsidiary of BAC is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which MLB, MLICo. or BAC are aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position or profitability of MLB, MLICo. or BAC and its subsidiaries on a consolidated basis.

8. **Conditions for determining price**

The price and amount of Instruments to be issued under the Programme will be determined by the relevant Issuer and any Dealer at the time of issue in accordance with prevailing market conditions.

9. **Post-issuance Information**

Neither of the Issuers nor BAC will provide any post-issuance information, unless required by any applicable laws and regulations.

10. **Passporting**

A request has been made to the CSSF to notify the competent authorities of the following jurisdictions of the approval of the Base Prospectus:

- (a) Finland (*Finanssivalvonta*);
- (b) France (*Autorité des Marchés Financiers*);
- (c) Ireland (Central Bank of Ireland);
- (d) Italy (*Commissione Nazionale per le Società e la Borsa*);
- (e) Spain (*Comisión Nacional del Mercado de Valores*);
- (f) The Netherlands (*Autoriteit Financiële Markten*);
- (g) Sweden (*Finansinspektionen*); and
- (h) United Kingdom (Financial Conduct Authority).

11. **Indication of Yield**

In respect of any relevant Instruments, the yield is calculated at the Issue Date on the basis of the Issue Price for such Instruments and will be specified in the applicable Final Terms. It is not an indication of future yield.

12. **Price**

The price at which the Instruments are to be offered will be determined on the relevant Trade Date by reference to the Issue Price and market conditions prevailing at the time and an indication of such price will be specified in the applicable Final Terms.

13. **Fungible Issuances**

Notes

In the case of any issue of Notes under the Programme which are to be consolidated and form a single Series with an existing Tranche or Series of Notes issued on or after 11 March 2013 and prior to the date hereof or in the case of any other Series of Notes in respect of which the applicable Final Terms provide that the March 2013 Note Conditions or the March 2014 Note Conditions apply, such Notes will be documented using either the March 2013 Retail Note Final Terms, the March 2013 Wholesale Note Final Terms or the March 2014 Note Final Terms, as applicable, each of which is incorporated by reference herein, save that the first paragraph underneath "PART A – CONTRACTUAL TERMS" in the March 2013 Retail Note

Final Terms, the March 2013 Wholesale Note Final Terms or the March 2014 Note Final Terms, as applicable, shall be deleted in its entirety and replaced with the following:

*"Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated [11 March 2013] [11 March 2014] (the "**Original Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 10 August 2015 [as supplemented by the supplement[s] to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), save in respect of the Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing during normal business hours at the registered office of the Issuer and at the specified office of the Principal Paying Agent for the time being in London and copies may be obtained from 2 King Edward Street, London EC1A 1HQ. [The Final Terms will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).]"*

W&C Instruments

In the case of any issue of W&C Instruments under the Programme which are to be consolidated and form a single Series with an existing tranche or Series of W&C Instruments issued on or after 11 March 2013 and prior to the date hereof or in the case of any other Series of W&C Instruments in respect of which the applicable Final Terms provide that the March 2013 W&C Securities Conditions or the March 2014 W&C Securities Conditions apply, such W&C Instruments will be documented using either the March 2013 W&C Securities Final Terms or the March 2014 W&C Securities Final Terms, as applicable, each of which is incorporated by reference herein, save that the first paragraph underneath "PART A – CONTRACTUAL TERMS" in the March 2013 W&C Instruments Final Terms or the March 2014 W&C Securities Final Terms, as applicable, shall be deleted in its entirety and replaced with the following:

*"Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated [11 March 2013] [11 March 2014] (the "**Original Base Prospectus**"). This document constitutes the Final Terms of the W&C Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 10 August 2015 [as supplemented by the supplement[s] to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), save in respect of the Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the W&C Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. A summary of the W&C Instruments (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing during normal business hours at the registered office of the Issuer and at the specified offices of the Instrument Agents for the time being in London and [Chicago/Frankfurt/Stockholm/Helsinki] and copies may be obtained from 2 King Edward Street, London EC1A 1HQ. [The Final Terms will be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).]"*

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