

NOMURA

NOMURA INTERNATIONAL FUNDING PTE. LTD.

USD13,000,000,000

NOTE, WARRANT AND CERTIFICATE PROGRAMME

*This document (the **Base Prospectus**) constitutes a base prospectus in respect of the Programme (as defined below) for the purposes of Article 8 of the Prospectus Regulation (as defined below). Any Securities (as defined below) issued on or after the date of this Base Prospectus are issued subject to the provisions herein.*

Under the terms of the Note, Warrant and Certificate Programme (the **Programme**), Nomura International Funding Pte. Ltd. (the **Issuer**) may from time to time issue notes (**Notes**) and redeemable certificates (**redeemable Certificates** and, together with Notes, **N&C Securities**) or warrants (**Warrants**) and exercisable certificates (**exercisable Certificates** and, together with the Warrants, **W&C Securities**, and W&C Securities together with N&C Securities, **Securities**).

Securities issued under the Programme may be (i) admitted to trading on a regulated market in the European Economic Area (the EEA) or offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation (a Non-Exempt N&C Security or a Non-Exempt W&C Security, as applicable, and together Non-Exempt Securities) or (ii) neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation (an Exempt N&C Security or an Exempt W&C Security as applicable, and together Exempt Securities). In the case of Exempt Securities, the terms of each issue of Exempt Securities will be completed, modified or supplemented in a pricing supplement document (a Pricing Supplement). The forms of Pricing Supplement for Exempt Securities are as set out in Schedule 1 to this Base Prospectus. For the purposes of any Exempt Securities, references herein to "Final Terms" shall be deemed to include a reference to "Pricing Supplement".

Securities of any kind may be issued as Exempt Securities, including but not limited to Securities relating to a specified index or a basket of indices (**Index Linked Securities**), a specified share or a basket of shares, a specified American depositary receipt or global depositary receipt or a basket thereof (**Equity Linked Securities**), a specified currency or a basket of currencies (**FX Linked Securities**), a specified commodity or commodity index or a basket of commodities and/or commodity indices (**Commodity Linked Securities**), a specified fund or basket of funds (**Fund Linked Securities**), a specified inflation index or a basket of inflation indices (**Inflation Linked Securities**), the credit of a specified entity or entities (**Credit Linked Securities**), Index Linked Securities or Equity Linked Securities which are short price payout N&C Securities (**Short Price Payout N&C Securities**) and excluded index securities linked to a series of preference shares (**Preference Share Linked N&C Securities**) or any combination of the foregoing. Securities may also bear interest (in the case of N&C Securities) or additional amounts (in the case of W&C Securities). Only Securities of a type specifically contemplated by this Base Prospectus may be issued as Non-Exempt Securities. Each issue of N&C Securities will be issued on the terms set out herein which are relevant to such N&C Securities under "Terms and Conditions of the N&C Securities" (the **N&C Securities Conditions**) on pages 217 to 397 and any applicable Additional Terms and Conditions on pages 491 to 805 (together with the N&C Securities Conditions, the **Conditions**) and each issue of W&C Securities will be issued on the terms set out herein which are relevant to such W&C Securities under "Terms and Conditions of the W&C Securities" (the **W&C Securities Conditions**) on pages 421 to 489 and any applicable Additional Terms and Conditions on pages 491 to 805 (together with the W&C Securities Conditions, the **Conditions**) in each case, as such Conditions are completed by, and, in the case of Exempt Securities only, as such Conditions may be modified or supplemented by, the applicable Final Terms (the **Final Terms**).

Where specified as applicable in the applicable Final Terms in respect of a series of N&C Securities issued under the Programme, such series of N&C Securities will be issued with the benefit of a guarantee either from (a) Nomura Holdings, Inc. (the **NHI Guarantor**) or, (b) Nomura Securities Co., Ltd. (the **NSC Guarantor** and, together with the NHI Guarantor, the **Guarantors**) pursuant to a deed of guarantee executed by the relevant Guarantor on or about 20 September 2023 (each a **Guarantee**). The relevant Guarantee (if applicable)

will irrevocably and unconditionally guarantee the payment and delivery obligations in respect of the N&C Securities of such series (see "*Form of NHI Guarantee*" and "*Form of NSC Guarantee*" respectively on pages 815 to 828). In relation to each series of N&C Securities, the applicable Final Terms will specify whether such Securities are to be guaranteed by the NHI Guarantor or by the NSC Guarantor. All references in the N&C Securities Conditions to the Guarantor will be construed to mean the NHI Guarantor (where the relevant Final Terms specifies the NHI Guarantor as guarantor in respect of the relevant series of N&C Securities) or the NSC Guarantor (where the relevant Final Terms specifies the NSC Guarantor as guarantor in respect of the relevant series of N&C Securities).

Where specified as applicable in the applicable Final Terms in respect of a series of W&C Securities issued under the Programme, such series of W&C Securities will be issued with the benefit of a guarantee from (i) the NHI Guarantor pursuant to the relevant Guarantee and pursuant to authorisation, on a case by case basis, by (a) an executive officer of the NHI Guarantor authorised by the NHI Guarantor's Executive Management Board or (b) a delegate appointed by such executive office of the NHI Guarantor, as applicable, (an **NHI Approval**) or (ii) the NSC Guarantor pursuant to the relevant Guarantee and pursuant to authorisation, on a case by case basis, by (a) a director and executive vice president of the NSC Guarantor authorised by the NSC Guarantor's Executive Management Board or (b) a delegate appointed by such director and executive vice president of the NSC Guarantor, as applicable, (an **NSC Approval**). The relevant Guarantee (if applicable) will irrevocably and unconditionally guarantee the payment and delivery obligations in respect of the W&C Securities of such series (see "*Form of NHI Guarantee*" and "*Form of NSC Guarantee*" respectively on pages 815 to 828). In relation to each series of W&C Securities, the applicable Final Terms will specify whether such Securities are to be guaranteed by the NHI Guarantor or the NSC Guarantor and the date that the relevant authorisation was granted.

Each series of Securities issued with the benefit of a guarantee pursuant to a Guarantee are referred to herein as **Guaranteed Securities**. The Guarantee will be governed by, and construed in accordance with, English law. The Securities will be governed by, and construed in accordance with, English law.

Prospective purchasers should note that a Guarantee will not be applicable in respect of a series of Securities unless expressly specified in the applicable Final Terms and, in the case of W&C Securities, unless the date of the relevant NHI Approval or the NSC Approval, as applicable, is specified in the applicable Final Terms. If the applicable Final Terms in respect of any series of Securities do not state that a Guarantee is applicable to the Securities of such series and, in the case of W&C Securities, the date of the relevant NHI Approval or the NSC Approval, as applicable, is not specified in the applicable Final Terms, then such Securities will not have the benefit of a Guarantee or any other guarantee or similar arrangements from the Guarantors or any other party.

Each of the Issuer and the Guarantors has a right of substitution as set out in N&C Securities Condition 18 or W&C Securities Condition 13, as applicable.

Securities may be issued on a continuing basis to one or more of Nomura International plc, Nomura Singapore Limited, Nomura International (Hong Kong) Limited, Nomura Securities International, Inc., Nomura Financial Products Europe GmbH and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** will, in the case of an issue of Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Securities.

The maximum aggregate nominal amount of N&C Securities issued by the Issuer and from time to time outstanding under the Programme will not exceed USD13,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement and in the "General Description of the Programme" section below) unless such limit is varied in accordance with the procedures specified under the Programme Agreement.

This Base Prospectus has been approved as a base prospectus by the CSSF, for Non-Exempt Securities only, as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered an endorsement of the

Issuer or the Guarantors or the quality of the Securities. Investors should make their own assessment as to the suitability of investing in the Securities.

The CSSF has not reviewed nor approved any information in relation to Exempt Securities, securities in relation to Swiss Non-exempt Offers and any securities admitted to trading on the Euro MTF Market and Multilateral Trading Facility of securitised derivative financial instruments organised and managed by Borsa Italiana S.p.A. (the **SeDeX Market**).

By approving the prospectus in accordance with Article 6(4) of the Luxembourg Act dated 16 July 2019 relating to prospectuses for securities, the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer.

Application has been made to the Luxembourg Stock Exchange (**LuxSE**) for Non-Exempt Securities issued under the Programme to be admitted to trading on the LuxSE's regulated market and to be listed on the Official List of the LuxSE. Application has also been made to the LuxSE for Exempt Securities issued under the Programme to be admitted to trading on the Euro MTF market of the LuxSE and to be listed on the Official List of the LuxSE for a period of 12 months from the date of this Base Prospectus.

The applicable Final Terms relating to the Securities will specify whether such Securities are to be admitted to trading on the LuxSE's regulated market, the Euro MTF market of the LuxSE, any other market or no market.

References in this Base Prospectus to Securities being **listed** (and all related references) shall mean that such Securities have been (i) admitted to trading on the LuxSE's regulated market or the Euro MTF market of the LuxSE and admitted to the Official List of the LuxSE, and/or (ii) admitted to trading on any other market and admitted to any other official list, in each case, as specified in the applicable Final Terms. The LuxSE's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU). The Euro MTF market of the LuxSE is not a regulated market within the meaning of the Markets in Financial Instruments Directive.

Application may also be made for N&C Securities issued under the Programme to be listed on the Electronic Bond Market organised and managed by Borsa Italiana S.p.A. (**MOT**). Application may also be made for W&C Securities issued under the Programme to be listed and/or admitted to trading on the the SeDeX Market. There can be no assurance that any such listing will occur on or prior to the date of issue of any Securities, as the case may be, or at all. For the avoidance of doubt, SeDeX is not a regulated market within the meaning of the Markets in Financial Instruments Directive.

This Base Prospectus constitutes a "listing particulars" where required for the purposes of the listing of any Exempt Securities (including, without limitation, any Exempt Securities listed on the Official List and Euro MTF Market of the LuxSE) and, for such purposes, does not constitute a "prospectus" for the purposes of the Prospectus Regulation. This Base Prospectus also constitutes a base prospectus for purpose of Part IV of the Luxembourg act dated 16 July 2019 relating to prospectuses for securities. This listing particulars has been approved by the LuxSE only for purposes of Exempt Securities which are listed on the Official List and Euro MTF Market. References in the Base Prospectus to "Final Terms" will be deemed to be references to "pricing supplement" for the purposes of all Exempt Securities (whether those Securities are listed on the Regulated Market of the LuxSE or Euro MTF Market or otherwise). This Base Prospectus constitutes an "offering circular" for the purposes of any offers that are not Non-Exempt Offers (as defined below) and for which listing particulars are not required.

Notice of the aggregate nominal amount or issue size of Securities, interest or other interim amounts (if any) payable in respect of Securities, the issue price of Securities, and certain other information which is applicable to each series of Securities will be set out in the applicable Final Terms which, with respect to all Securities other than Exempt Securities will be where publicly offered or listed on a regulated market in Luxembourg, will be filed with the CSSF. Copies of Final Terms in relation to Securities to be listed on the LuxSE will also be published on the website of the LuxSE (www.luxse.com).

The Programme provides that Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be agreed between the Issuer, the Guarantor (if applicable) and the relevant Dealer and specified in the Final Terms. The Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market.

Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Certain issues of Securities involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment.

Where specified as applicable in the applicable Final Terms in respect of a series of N&C Securities issued under the Programme, (i) Nomura International (Hong Kong) Limited (the **NIHK Guarantor**) will, pursuant to a deed of guarantee dated on or about the date of this Base Prospectus (the **NIHK Guarantee**), irrevocably and unconditionally guarantee the payment and delivery obligations in respect of the N&C Securities of such series or (ii) the NIHK Guarantor and the NHI Guarantor will, pursuant to a deed of guarantee dated on or about the date of this Base Prospectus (the **NIHK/NHI Joint Guarantee**), jointly and severally, irrevocably and unconditionally guarantee the payment and delivery obligations in respect of the N&C Securities of such series.

The NIHK Guarantor may only guarantee Securities that are Exempt Securities under this Base Prospectus. Any Securities that are guaranteed by (i) the NIHK Guarantor shall be **NIHK Guaranteed Securities** or (ii) the NIHK Guarantor and NHI Guarantor shall be **NIHK/NHI Joint Guaranteed Securities**. The form and nature of the NIHK Guarantee or NIHK/NHI Joint Guarantee, as applicable, will be set out in the applicable Pricing Supplement.

If the Issuer wishes to issue Non-Exempt Securities under this Base Prospectus that are guaranteed by (i) the NIHK Guarantor or (ii) the NIHK Guarantor and NHI Guarantor, the Issuer must, prior to the commencement of the offer of a Series of Securities, have submitted, and had approved a relevant prospectus for purposes of the Prospectus Regulation or had approved by the CSSF, a supplement to this Base Prospectus providing all disclosure relating to the NIHK Guarantor and the NIHK Guarantee or the NIHK/NHI Joint Guarantee, as applicable.

This Base Prospectus may be filed in Switzerland with a review body (*Prüfstelle*) approved by the Swiss Financial Market Supervisory Authority FINMA (**FINMA**) as a foreign prospectus that is deemed approved according to Article 54(2) of the Swiss Federal Financial Services Act (**FinSA**) for entry on the list of approved prospectuses according to Article 64(5) FinSA, deposited with this review body and published according to Article 64 FinSA. Notwithstanding anything else in this Base Prospectus, but subject to the requirements of FinSA the Issuer may make offers of Securities to the public in Switzerland (**Swiss Non-exempt Offers**). References to Securities which are **Swiss Non-Exempt Securities** shall be to Securities which are the subject of such Swiss Non-exempt Offers. The Issuer may also make offers of Securities in Switzerland pursuant to an exemption under Article 36(1) FinSA or where such offers do not qualify as a public offer in Switzerland (**Swiss Exempt Offers**). The approval of this Base Prospectus by the CSSF does not relate to Swiss Securities or Swiss Non-exempt or Swiss Exempt Offers.

The long-term debt of the NHI Guarantor has been rated BBB+ by S&P Global Ratings Japan Inc. (**S&P Japan**), Baa1 by Moody's Japan K.K. (**Moody's Japan**), A- by Fitch Ratings Japan Limited (**Fitch Japan**), A by Rating and Investment Information, Inc. (**R&I Japan**) and AA- by Japan Credit Rating Agency, Ltd. (**JCR**).

The long-term debt of the NSC Guarantor has been rated A- by S&P Japan, A3 by Moody's Japan, A- by Fitch Japan, A+ by R&I Japan and AA- by JCR.

Each of Moody's Japan, S&P Japan and Fitch Japan is not established in the EEA and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings have, however, been endorsed by Moody's Deutschland GmbH (**Moody's Deutschland**), S&P Global Ratings Europe Limited (**SPGRE**) and Fitch Ratings Ireland Limited (**Fitch Ratings**) respectively, in each case, in accordance with the CRA Regulation. Each of Moody's Deutschland, SPGRE and Fitch Ratings are established in the EEA and are registered under the CRA Regulation. As such, Moody's Deutschland, SPGRE and Fitch Ratings are included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation. ESMA has indicated that ratings issued in Japan which have been endorsed by Moody's Deutschland, SPGRE and/or Fitch Ratings (respectively) may be used in the EEA by the relevant market participants.

Each of Moody's Japan, S&P Japan and Fitch Japan is not established in the United Kingdom and has not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**). The ratings have, however, been endorsed by Moody's Investors Service Ltd (**Moody's UK**), S&P Global Ratings UK Limited (**SPGRUK**) and Fitch Ratings Ltd (**Fitch UK**) respectively, in each case, in accordance with the UK CRA Regulation. Each of Moody's UK, SPGRUK and Fitch UK Ratings are established in the United Kingdom and are registered under the UK CRA Regulation.

R&I Japan is not established in the EEA and is not registered in accordance with the CRA Regulation. R&I Japan is therefore not included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation.

JCR is not established in the EEA and has not applied for registration under the CRA Regulation, but it is certified in accordance with the CRA Regulation and it is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation.

Each of R&I Japan and JCR is not established in the United Kingdom and has not applied for registration under the UK CRA Regulation.

Securities issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Securities is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as any rating that may be assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "Ratings of the Securities" in the Risk Factors section of this Base Prospectus.

Amounts payable under the Securities may be calculated by reference to one or more "benchmarks" for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8th June, 2016 (the **Benchmarks Regulation**). In this case and in respect of Non-Exempt Securities only, a statement will be included in the applicable Final Terms or Pricing Supplement, as the case may be, as to whether or not the relevant administrator of the "benchmark" is included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation.

As of the date of this Base Prospectus the EURIBOR, SONIA, SOFR and €STR interest rate benchmarks are all provided by administrators that are either included in ESMA's register of administrators or are exempt from registration pursuant to the central bank exemption in Article 2.2(a) of the Benchmarks Regulation: The European Money Markets Institute as the administrator of the EURIBOR benchmark is included in ESMA's register of administrators and The Bank of England as administrator of the SONIA benchmark, The Federal Reserve Bank of New York as administrator of the SOFR benchmark and The European Central Bank as administrator of the €STR benchmark are not included in ESMA's register of administrators as no such registration is required pursuant to the central bank exemption in Article 2.2(a) of the Benchmarks Regulation.

The Securities, the Guarantees and, in certain cases, the Entitlement (as defined herein) have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or under any state securities laws, and the Securities may not be offered, sold, 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, or by, a U.S. person as defined in Regulation S under the Securities Act (**Regulation S**) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any State of the United States and any other jurisdiction. The Issuer has not registered and does not intend to register as an investment company pursuant to the United States Investment Company Act of 1940, as amended (the **1940 Act**) and the rules thereunder in reliance on an exclusion from the definition of "investment company" pursuant to Section 3(c)(7) of the 1940 Act. The Issuer may offer and sell Securities of certain issues within the United States or to, or for the account or benefit of, U.S. persons, exclusively to persons reasonably believed by the Issuer 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" (**QP**) within the meaning of Section 2(a)(51)(A) of the 1940 Act and the rules and regulations thereunder and who have executed an Investor Representation Letter (as defined herein) prior to acquiring any interest in the Securities. Each purchaser of Securities being offered within the United States or to, or for the

account or benefit of, a U.S. person is hereby notified that the offer and sale of such Securities is being made in reliance upon an exemption from the registration requirements of the Securities Act and the 1940 Act and one or more exemptions and/or exclusions from regulation under the United States Commodity Exchange Act of 1936, as amended (the CEA). Securities may also be offered and sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Investors in the Securities will be deemed to have made or be required to make certain representations and warranties in connection with purchasing the Securities. See *"Notice to Purchasers and Holders of Securities and Transfer Restrictions"* on pages 834 to 842. In certain circumstances, redemption or exercise of Securities will be conditional upon certification as to non-U.S. beneficial ownership or, in the case of certain Series of Securities, 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 N&C Securities"* on pages 217 to 397, *"Terms and Conditions of the W&C Securities"* on pages 421 to 489 and *"Notice to Purchasers and Holders of Securities and Transfer Restrictions"* on pages 834 to 842. Securities sold in the United States or to, or for the account or benefit of, U.S. persons who are QIBs and also QPs will, unless otherwise specified in the applicable Final Terms, be sold through a registered broker dealer in the United States or otherwise in compliance with the provisions of the U.S. Securities Exchange Act of 1934, as amended. In addition, certain Securities (including, but not limited to, Permanent Global W&C Securities) may not at any time be offered, sold or delivered in the United States or to, or for the account or benefit of, any person who is (a) a "U.S. person", as defined in Regulation S, (b) a person other than a "Non-United States person" as defined in Rule 4.7 under the CEA, (c) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the United States Commodity Futures Trading Commission (the CFTC), or the final rule relating to Cross-Border Application of the Registration Thresholds and Certain Requirements Applicable to Swap Dealers and Major Swap Participants promulgated by the CFTC, in each case as amended, modified or supplemented from time to time, pursuant to the CEA, (d) any other "U.S. person" as such term may be defined in Regulation S or in regulations or guidance adopted under the CEA, or (e) a "United States person" as defined in the United States Internal Revenue Code of 1986, as amended and the United States Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time (each such person, a **U.S. Person**), nor may any U.S. Persons at any time trade or maintain a position in such Securities.

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission (the SEC), any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or adequacy of this Base Prospectus. The Securities do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the CEA and trading in the Securities has not been approved by the CFTC pursuant to the CEA. Any representation to the contrary is a criminal offence in the United States.

All payments in respect of the N&C Securities will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in N&C Securities unless any such deduction is required by law. In the event that (i) any such deduction is required and (ii) the relevant N&C Securities are specified as being "Reference Item Linked N&C Securities" in the applicable Final Terms, unless the provisions of Condition 9.1.2 are specified to apply to the Securities in the applicable Final Terms, neither the Issuer nor the Guarantor (if applicable) will be required to pay any additional amounts to cover the amounts so deducted.

A holder of a W&C Security must pay all taxes, duties and/or expenses arising from the exercise and settlement of such W&C Security and/or delivery of the Entitlement, if applicable. The Issuer shall not be liable for tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any W&C Security and all payments will be made subject to any such tax, duty, withholding or other payment.

For a description of certain further restrictions on offers and sales of the Securities and on the distribution of this Base Prospectus, see *"Offering and Sale"* on pages 890 to 908.

Each issue of Securities will be issued in the form set out in *"Form of the Securities"* on pages 153 to 158.

Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Securities. See "*Risk Factors*" on pages 21 to 95.

Arranger and Dealer
NOMURA SINGAPORE LIMITED

IMPORTANT NOTICES

This Base Prospectus constitutes a base prospectus in respect of all Securities other than Exempt Securities issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, "Prospectus Regulation" means Regulation (EU) 2017/1129.

Each of the Issuer and the Guarantors (the Responsible Persons) accepts responsibility for (i) the information contained in this Base Prospectus and, (ii) in the case of the Issuer and the Guarantor of a particular Tranche of Non-Exempt Securities issued under the Programme, for the Final Terms for that Tranche of Securities. To the best of the knowledge of the Responsible Persons (each having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus and in any relevant Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information.

Information contained in this Base Prospectus which is sourced from a third party (including the information under the heading "*Book Entry Clearance Systems*" below which has been extracted from information from the relevant clearing systems) has been accurately reproduced and, as far as each of the Issuer and the Guarantors are aware and are 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 of the Issuer and the Guarantors has also identified the source(s) of such information.

No person is or has been authorised by the Issuer, the Guarantors, the NIHK Guarantor or any Dealer 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 the Issuer, the Guarantors, the NIHK Guarantor or any Dealer of an issue of Securities. This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Securities or the distribution of this document in any jurisdiction where any such action is required.

This document is to be read and construed in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*" on pages 110 to 116). This document shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date of approval until 20 September 2024 in relation to Securities that are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Exempt Securities that are to be admitted to trading on the Euro MTF market of the LuxSE.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Securities which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. References in this Base Prospectus to "Exempt Securities" are to Securities for which no prospectus is required to be published under the Prospectus Regulation.

The Securities of each issue may be sold by the Issuer and/or any Dealer at such time and at such prices as the Issuer and/or the Dealer(s) may select. There is no obligation upon the Issuer or any Dealer to

sell all of the Securities of any issue. The Securities 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 Issuer.

Subject as provided in the N&C Securities Conditions and the W&C Securities Conditions, as applicable, the Issuer shall have complete discretion as to what type of Securities it issues and when.

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

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

None of the Dealers, the Issuer, the Guarantors or the NIHK Guarantor makes any representation to any investor in the Securities regarding the legality of its investment under any applicable laws. Any investor in the Securities should be able to bear the economic risk of an investment in the Securities for an indefinite period of time.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained in it concerning the Issuer and the Guarantors is correct at any time subsequent to its date 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 the Issuer or the Guarantors during the life of the Programme or to advise any investor in Securities issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Non-Exempt Securities, or Pricing Supplement in respect of Exempt Securities, includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA other than (i) during any PRIIPs Compliant Sales Period and (ii) in any PRIIPs Retail Offer Jurisdiction, in each case as specified in the applicable Final Terms or Pricing Supplement.

For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

Consequently, other than in any PRIIPs Retail Offer Jurisdiction and during any PRIIPs Compliant Sales Period, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Non-Exempt Securities, or Pricing Supplement in respect of Exempt Securities, includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**) other than during any UK PRIIPs Compliant Sales Period, as specified in the applicable Final Terms or Pricing Supplement.

For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Consequently, other than during any UK PRIIPs Compliant Sales Period, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance / target market – For any issuance of Securities in respect of which the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**) apply, the relevant manufacturer(s) will separately provide details of its/their target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a **distributor**) should take into consideration this target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining this target market assessment) and determining appropriate distribution channels, subject, where relevant, to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

Any target market assessment is without prejudice to the requirements of any contractual or legal selling restrictions in relation to the Securities.

For the avoidance of doubt, any target market assessment would not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any specific investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.

For any issuance of Securities in respect of which the MiFID Product Governance rules apply, a determination will also be made as to whether any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – For any issuance of Securities in respect of which the Product Governance rules contained in the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) apply, the relevant manufacturer(s) will separately provide details of its/their target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a **distributor**) should take into consideration this target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining this target market assessment) and determining appropriate distribution channels, subject, where relevant, to the distributor's suitability and appropriateness obligations under the UK MiFIR Product Governance Rules, as applicable.

Any target market assessment is without prejudice to the requirements of any contractual or legal selling restrictions in relation to the Securities.

For the avoidance of doubt, any target market assessment would not constitute: (a) an assessment of suitability or appropriateness for the purposes of the UK MiFIR Product Governance Rules; or (b) a recommendation to any specific investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.

For any issuance of Securities in respect of which the UK MiFIR Product Governance Rules rules apply, a determination will also be made as to whether any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF SECURITIES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities 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 Securities may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantors, the NIHK Guarantor or any Dealer represents that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offer. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Guarantors, the NIHK Guarantor or any Dealer which is intended to permit a public offering of any Securities or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Securities 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 Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the United States, the EEA, the United Kingdom Japan, Sweden, Switzerland and certain South American jurisdictions and Asian jurisdictions (see "*Offering and Sale*" on pages 890 to 908). In particular, the Securities, the Guarantee and, in certain cases, the Entitlement to be delivered upon exercise of the Securities, have not been and will not be registered under the Securities Act or any applicable state securities laws.

Save as provided above, none of the Issuer, the Guarantors nor any Dealer have authorised, nor do they authorise, the making of any Non-Exempt Offer of Securities in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

THIS PROGRAMME PROVIDES FOR THE ISSUANCE OF REFERENCE ITEM LINKED SECURITIES. THE PURCHASE OF SUCH SECURITIES MAY INVOLVE SUBSTANTIAL RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT OR EQUITY SECURITY AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE SECURITIES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER THE SUITABILITY OF THAT INVESTMENT CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, INCLUDING A CONSIDERATION OF (I) ALL THE INFORMATION SET FORTH IN THIS BASE PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY (INCLUDING, WITHOUT LIMITATION, CONSULTING WITH SUCH FINANCIAL, LEGAL OR OTHER ADVISERS AS THEY DEEM APPROPRIATE) WITHOUT RELYING ON THE ISSUER, THE GUARANTOR (IF APPLICABLE) OR ANY DEALER.

Each potential investor should:

- (i) **have sufficient knowledge and experience to evaluate the Securities, the merits and risks of investing in the Securities 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;**
- (ii) **have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;**
- (iii) **have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities (including an inability to sell the Securities), including Securities with amounts payable in one or more currencies, or where the Settlement Currency or Specified Currency of the Securities is different from the potential investor's currency;**
- (iv) **understand thoroughly the terms of the Securities and be familiar with any relevant indices and financial markets; and**
- (v) **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.**

An investment in Index Linked Securities, Equity Linked Securities, FX Linked Securities, Commodity Linked Securities, Fund Linked Securities, Inflation Linked Securities, Credit Linked Securities or other Securities linked to other Reference Item(s) (Reference Item Linked Securities) will include, but will not be limited to, the risks set out in "*Risks relating to particular Reference Items*" below.

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

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE SFA)

Unless otherwise stated in the applicable Final Terms or Pricing Supplement (as applicable) in respect of the Securities, all Securities issued or to be issued under the Programme shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

U.S. INFORMATION

This Base Prospectus is being submitted in the United States to a limited number of QIBs that are also QPs for informational use solely in connection with the consideration of the purchase of the Securities being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Securities may be offered or sold within the United States or to, or for the account or benefit of, U.S. persons only to QIBs that are also QPs in transactions exempt from the registration requirements of the Securities Act and any applicable state securities laws and which will not require the Issuer to register under the 1940 Act. Each U.S. purchaser of Securities is hereby notified that the offer and sale of any Securities to

it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A and one or more exemptions and/or exclusions from regulation under the CEA.

Each purchaser or holder of Securities represented by a Rule 144A Global Security (which term shall include both N&C Securities and/or W&C Securities, as the context permits) or any Securities issued in registered form in exchange or substitution therefor (together **Legended Securities**) will be required to make or, by its acceptance or purchase of any such Legended Securities, be deemed to have made, certain representations and agreements intended to restrict the resale or other transfer of such Securities as set out in "*Offering and Sale*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Securities*".

In addition, the offer, sale, resale, transfer, pledge or delivery of certain Securities, or any interest therein, directly or indirectly, in the United States or to or for the account or benefit of U.S. Persons may constitute a violation of the CEA. Accordingly, the relevant Final Terms for any Security determined to be subject to such prohibitions will specify that such Security may not at any time be offered, sold, resold, transferred, pledged or delivered in the United States or to U.S. Persons, nor may any U.S. Persons at any time trade or maintain a position in such Securities.

Securities in bearer form that are treated as debt for U.S. federal tax purposes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain circumstances permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the **Code**) and the U.S. Treasury regulations promulgated thereunder.

The Securities (and interests therein) may not be acquired or held by, or acquired with the assets of, any employee benefit plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (**ERISA**), any plan subject to Section 4975 of the Code, an entity whose underlying assets include plan assets by reason of an employee benefit plan's or a plan's investment in such entity (collectively, **Benefit Plan Investors**), or a governmental, church or non-U.S. plan subject to any federal, state, local or non-U.S. laws or regulations substantially similar to Section 406 of ERISA or Section 4975 of the Code (**Similar Law**), unless the acquisition, holding and disposition of the Securities (or any interest therein) does not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violate the applicable provisions of any Similar Law. Purchasers of Securities (or any interest therein) on behalf of Benefit Plan Investors have exclusive responsibility for ensuring that their acquisition, holding and disposition of the Securities (or any interest therein) does not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and by the purchase of Securities (or any interest therein) they will be deemed to have represented and warranted that the foregoing condition has been and will be met. The applicable Final Terms relating to a particular Tranche of Securities may contain more information and reflect more particular limitations respecting Section 406 of ERISA or Section 4975 of the Code.

Each purchaser and subsequent transferee of any Securities (or any interest therein) that is a Benefit Plan Investor will be further deemed to represent, warrant and agree that (i) none of the Issuer, the Principal Agent, the Guarantors, the Dealer(s) or any other party to the transactions referred to in this Base Prospectus, or other persons that provide marketing services, or any of their respective affiliates, has provided, and none of them will provide, any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor (**Plan Fiduciary**), has relied as a primary basis in connection with its decision to invest in the Securities, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Securities; and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Securities.

CERTAIN DEFINED TERMS AND CONVENTIONS

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in the "Terms and Conditions of the N&C Securities", "Terms and Conditions of the W&C Securities" or any other section of this Base Prospectus (in each case as applicable). In addition the following terms as used in this Base Prospectus have the meanings defined below:

In this Base Prospectus, all references to:

- (i) **US\$, \$, USD and U.S. dollars** are to United States Dollars;
- (ii) **GBP and £** are to Pounds Sterling;
- (iii) **euro, EUR and €** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended
- (iv) **Yen, JPY and ¥** are to Japanese Yen; and
- (v) **Renminbi, RMB or CNY** are to the lawful currency of the People's Republic of China (the **PRC**) which, for the purposes of this Base Prospectus, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

References to a **billion** are to a thousand million.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

STABILISATION

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

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Schedule 1

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GENERAL DESCRIPTION OF THE PROGRAMME

The following section applies to both Exempt Securities and Non-Exempt Securities.

Issuer:	Nomura International Funding Pte. Ltd.
LEI of Issuer:	5493006YXUX4IZ8XXW98
Arranger:	Nomura Singapore Limited
NHI Guarantor:	Nomura Holdings, Inc.
NSC Guarantor:	Nomura Securities Co., Ltd.
Description:	Note, Warrant and Certificate Programme
Guarantee:	N&C Securities may be guaranteed by the NHI Guarantor or the NSC Guarantor or unguaranteed. W&C Securities may be guaranteed by the NHI Guarantor or the NSC Guarantor or unguaranteed.

If the applicable Final Terms specify that the relevant N&C Securities are guaranteed by the NHI Guarantor, such series of N&C Securities will be guaranteed by the NHI Guarantor only. If the applicable Final Terms specify that the relevant N&C Securities are guaranteed by the NSC Guarantor, such series of N&C Securities will be guaranteed by the NSC Guarantor only.

If the applicable Final Terms specify that the relevant W&C Securities are guaranteed and the application of the relevant Guarantee to such W&C Securities is specifically authorised by (i) (a) an executive officer of the NHI Guarantor authorised by the NHI Guarantor's Executive Management Board or (b) a delegate appointed by such executive officer of the NHI Guarantor, as applicable or (ii) (a) a director and executive vice president of the NSC Guarantor authorised by the NSC Guarantor's Executive Management Board or (b) a delegate appointed by such director and executive vice president of the NSC Guarantor, as applicable, and the date of such authorisation is included in the applicable Final Terms, such W&C Securities will be guaranteed by the NHI Guarantor or the NSC Guarantor as applicable. Prospective purchasers should note that the Guarantee will not be applicable in respect of a series of Securities unless expressly specified in the applicable Final Terms.

If the applicable Final Terms in respect of any series of Securities does not state that the Securities of such series are guaranteed, or, in the case of W&C Securities, where the application of the relevant Guarantee to any Series of W&C Securities is not specifically authorised by (i) an executive officer of the NHI Guarantor authorised by the NHI Guarantor's Executive Management Board or (ii) a director and executive vice president of the NSC Guarantor authorised by the NSC Guarantor's Executive Management Board and no date of such authorisation is included in the applicable Final Terms, then such Securities will not have the benefit of a guarantee from the NHI Guarantor, the NSC Guarantor or any other guarantee or similar arrangements from the NHI Guarantor, the NSC Guarantor or any other party.

Calculation Agent:	Nomura International plc or such other calculation agent specified in the applicable Final Terms.
Principal Agent:	Citibank, N.A., London Branch
Types of Securities:	Securities issued under the Programme may be (i) admitted to trading on a regulated market in the EEA and/or offered in the EEA in circumstances

where a prospectus is required to be published under the Prospectus Regulation (a **Non-Exempt N&C Security** or a **Non-Exempt W&C Security** as applicable, and together **Non-Exempt Securities**) or (ii) neither admitted to trading on a regulated market in the EEA the EEA or in circumstances where a prospectus is required to be published under the Prospectus Regulation (an **Exempt N&C Security** or an **Exempt W&C Security** as applicable, and together **Exempt Securities**).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) to approve this document as a base prospectus in respect of Non-Exempt Securities only.

Application has also been made to the Luxembourg Stock Exchange to approve this document as a base prospectus in respect of Exempt Securities only.

Securities of any kind may be issued, including, but not limited to Index Linked Securities, Equity Linked Securities, FX Linked Securities, Commodity Linked Securities, Fund Linked Securities, Inflation Linked Securities, Credit Linked Securities and Preference Share Linked N&C Securities. Only those Securities specifically contemplated within this Base Prospectus may be issued as Non-Exempt Securities.

In the case of N&C Securities, unless the relevant N&C Securities are Exempt Securities, the N&C Securities may only be FX Redemption N&C Securities, Fixed Denomination FX Redemption N&C Securities, Equity Basket Knock-In N&C Securities, Equity Basket Barrier Knock-In N&C Securities, Equity Basket Bonus Barrier Knock-In N&C Securities, Index Basket Knock-In N&C Securities, Index Basket Barrier Knock-In N&C Securities, Index Basket Bonus Barrier Knock-In N&C Securities, Equity Basket Autocall N&C Securities, Index Basket Autocall N&C Securities, Zero Recovery Single Name Credit Linked N&C Securities, Zero Recovery Basket Credit Linked N&C Securities, Auction to Cash Settled Credit Linked Securities, Tranching Zero Recovery Credit Linked N&C Securities, Tranching Recovery Index Credit Linked N&C Securities, Market Recovery Basket Credit Linked N&C Securities, Equity Delta One Redemption N&C Securities, Reverse Convertible Swap Rate Redemption N&C Securities, Geared Put Swap Rate Redemption N&C Securities or Zero Coupon Securities and, if the N&C Securities are interest bearing, Fixed Rate N&C Securities, Floating Rate N&C Securities, Fixed FX Interest N&C Securities, Equity Basket Conditional Interest N&C Securities, Index Basket Conditional Interest N&C Securities, Multi-Rate Interest N&C Securities, Range Accrual Interest N&C Securities, Dual Range Accrual Interest N&C Securities, Leveraged Inflation Interest N&C Securities, Swap Rate Linked Interest N&C Securities Tranching Zero Recovery Index Coupon Credit Linked N&C Securities or Tranching Recovery Index Coupon Credit Linked N&C Securities or, as applicable, and only where specifically contemplated by this Base Prospectus, a combination of the foregoing.

In the case of W&C Securities, unless the relevant W&C Securities are Exempt Securities, the W&C Securities may be FX Basket Knock-Out W&C Securities, FX Basket Knock-In W&C Securities or Equity Delta One W&C Securities.

Subject to any applicable legal or regulatory restrictions, securities may be settled in various currencies, including without limitation, Argentine Pesos, Australian Dollars, Brazilian Real, Canadian Dollars, Chinese

Renminbi, Czech Koruna, Euros, Hong Kong Dollars, Indian Rupees, Indonesian Rupiah, Japanese Yen, Korean Won, Malaysian Ringgit, Mexican Pesos, Norwegian Krone, Philippine Pesos, Polish Zloty, Pounds Sterling, Romanian Leu, Russian Rubles, Singapore Dollars, Swedish Krona, Swiss Francs, Taiwanese Dollars, Thai Baht, Turkish Lira, United States Dollars and Vietnamese Dong.

Swedish Securities: Securities issued pursuant to the Programme may include Swedish Securities.

Finnish Securities: Securities issued pursuant to the Programme may include Finnish Securities.

Swiss Securities: Securities issued pursuant to the Programme may include Swiss Securities.

Status of the Securities: Securities are direct, unconditional, unsubordinated and (subject, in the case of N&C Securities only, to the provisions of a negative pledge) unsecured obligations of the Issuer and rank *pari passu* and without prejudice among themselves and (subject as aforesaid and save for such exceptions as may be provided by applicable legislation) at least equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

Status of each Guarantee: The obligations of the relevant Guarantor under a Guarantee will constitute direct, unconditional, unsubordinated and (subject, in the case of N&C Securities only, to the provisions of a negative pledge) unsecured obligations of that Guarantor and shall (subject as aforesaid and save for obligations in respect of national and local taxes and certain other statutory exceptions) at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of that Guarantor.

Programme Limit: The maximum aggregate nominal amount of N&C Securities issued by the Issuer and from time to time outstanding under the Programme will not exceed USD13,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement and in this "General Description of the Programme" section). However, this limit may be varied in accordance with the procedures specified in the Programme Agreement.

Calculation of N&C Securities outstanding: This Base Prospectus and any supplements hereto will, in relation to N&C Securities, only be valid for the issuance of Securities in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all N&C Securities previously or simultaneously issued by the Issuer under the Programme, does not exceed the then applicable maximum aggregate nominal amount of N&C Securities limit or its equivalent in other currencies. For the purpose of calculating the U.S. dollar nominal amount of the then applicable N&C Securities issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of N&C Securities denominated in another Specified Currency (as specified in the applicable Final Terms) shall be determined, at the discretion of the Issuer, either as of the date of agreement to issue such N&C Securities (the **Agreement Date**) or on the preceding day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, in each case on the basis of the spot rate for the sale of U.S. dollars against the purchase of the relevant Specified Currency in the

London foreign exchange market quoted by any leading bank selected by the Issuer on such date; or

- (b) the U.S. dollar amount of any N&C Securities or, where applicable, the U.S. dollar equivalent of the amount (other than as provided below) shall be determined by reference to (i) the original Aggregate Nominal Amount specified in the applicable Final Terms or (ii) if no such amount is specified the net proceeds received by the Issuer for the relevant issue;
- (c) the U.S. dollar amount (or, where applicable, the U.S. dollar equivalent of the amount) of Zero Coupon N&C Securities (as specified in the applicable Final Terms) shall be calculated (where applicable, in the manner specified above) by reference to the net proceeds received by the Issuer for the relevant issue; or
- (d) the U.S. dollar amount (or, where applicable, the U.S. dollar equivalent of the amount) of Deeply Discounted N&C Securities shall be calculated (where applicable, in the manner specified above) by reference to the net proceeds received by the Issuer for the relevant issue. For these purposes, **Deeply Discounted N&C Securities** means N&C Securities with an Issue Price of equal to or less than 80% of the original aggregate nominal amount of such N&C Securities specified in the applicable Final Terms.

Approval, listing and admission to trading:

Application has been made to the CSSF to approve this document as a base prospectus in respect of Non-Exempt Securities only. Application has also been made to the Luxembourg Stock Exchange to approve this document as a base prospectus in respect of Exempt Securities only.

Application has been made to the LuxSE for Non-Exempt Securities issued under the Programme to be admitted to trading on the LuxSE's regulated market and to be listed on the Official List of the LuxSE. Application has also been made to the LuxSE for Exempt Securities issued under the Programme to be listed admitted to trading on the Euro MTF market of the LuxSE and to be listed on the Official List of the LuxSE.

Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as determined by the Issuer. Securities which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Securities are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or market(s).

Governing law:

The Securities and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law.

Each Guarantee and any non-contractual obligations arising out of or in connection with it will also be governed by, and construed in accordance with, English law.

RISK FACTORS

Unless otherwise stated, the following section applies to both Exempt Securities and Non-Exempt Securities.

Prospective investors should note that the risks relating to the Issuer and the Guarantor, their industry and an individual issue of Securities summarised in the summary annexed to the Final Terms for that particular issue of Securities are the risks that each of the Issuer and the Guarantor believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in such Securities. Prospective investors should consider both the information on the key risks summarised in the summary annexed to the Final Terms and the risks and uncertainties described below.

*In purchasing Securities, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Securities or under the Guarantee. There is a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due. Certain factors which the Issuer and the Guarantor currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantor's control. The Issuer and the Guarantor have identified in this Base Prospectus a number of factors which could materially adversely affect their businesses and the ability of the Issuer or the Guarantor to pay any cash amounts in connection with any Cash Settled Securities (**Cash Settled Securities**) or to deliver the Entitlement in connection with any Physical Delivery Securities (**Physical Delivery Securities**).*

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

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

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

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Risk Factors relating to the Issuer, the Guarantor and the Nomura Group

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

The Issuer is a wholly owned subsidiary of the NHI Guarantor, which together with its consolidated subsidiaries shall be referred to in this "*Risk Factors*" section as the **Nomura Group**.

There are substantial inter-relationships between the Issuer and other Nomura Group companies. These may include the provision of funding, capital services and logistical support by one or more group companies to another group company(ies), as well as having common or shared business or operational platforms or systems, including employees.

If the financial condition of the Nomura Group were to deteriorate, the Issuer and investors in the Securities may suffer direct and materially adverse consequences. Accordingly, prospective investors in Securities should review, *inter alia*, the risk factors set out in the section entitled "*Risks relating to the Nomura Group*" below.

2. Factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee

The NHI Guarantor

Guaranteed Securities issued under the Programme may (if so specified in the applicable Final Terms) be guaranteed on an unsubordinated basis by the NHI Guarantor pursuant to the Guarantee. Therefore, in the case of Securities guaranteed by the NHI Guarantor, if the NHI Guarantor's financial condition were to deteriorate, the Issuer and investors in the Securities may suffer direct and materially adverse consequences, including reductions to the size of expected payments, delays to the timing of such payments, or no payments at all.

Accordingly, prospective investors in Securities guaranteed by the NHI Guarantor should review, *inter alia*, the factors below in respect of the NHI Guarantor's ability to fulfil its obligations under the Guarantee.

The NHI Guarantor (referred to in this "Risk Factors" sections as **NHI**) is a holding company for the Nomura Group. The NHI Guarantor's ability to fulfil its obligations under the Guarantee may therefore be affected by certain factors as set out in the section entitled "Risks relating to the Nomura Group" below, which may affect the NHI Guarantor directly or other entities within the Nomura Group.

The NSC Guarantor

Guaranteed Securities issued under the Programme may (if so specified in the applicable Final Terms) be guaranteed on an unsubordinated basis by the NSC Guarantor pursuant to the Guarantee. Therefore, in the case of Securities guaranteed by the NSC Guarantor, if the NSC Guarantor's financial condition were to deteriorate, the Issuer and investors in the Securities may suffer direct and materially adverse consequences, including reductions to the size of expected payments, delays to the timing of such payments, or no payments at all. Accordingly, prospective investors in N&C Securities guaranteed by the NSC Guarantor should review, *inter alia*, the factors below in respect of the NSC Guarantor's ability to fulfil its obligations under the Guarantee.

The NSC Guarantor (referred to in this "Risk Factors" sections as **NSC**) is part of the Nomura Group. The NSC Guarantor's ability to fulfil its obligations under the Guarantee may therefore be affected by certain factors as set out in the section entitled "Risks relating to the Nomura Group" below, which may affect the NSC Guarantor directly or other entities within the Nomura Group.

3. Risks relating to the Issuer's business

Market Risk

The Issuer itself may hold positions in assets. Changes in market prices (for instance share prices, bond prices or loan prices) or in other factors affecting asset values (such as the general situation of the global economy or economic and political conditions in relevant countries) may adversely affect the performance of any assets that the Issuer may hold. A negative performance of any relevant asset held by the Issuer would adversely affect the Issuer's financial situation and its profits.

Reference Item Price Risk and Issuer Credit Risk

The Issuer may issue instruments with returns linked to the performance of certain underlying reference assets or bases (each such asset and/or basis, a **Reference Item**). The Issuer may enter into hedging transactions in order to hedge its position in respect of such instruments. Fluctuations in the relevant exchange or other relevant markets may result in the proceeds of the hedging transactions being less than the liabilities under the instruments. This may adversely affect the Issuer's financial situation and its profits.

Interest Rate Risk

It is anticipated that the Issuer will generate part of its financial results through interest yields. Fluctuations in the relevant applicable interest rate (including the ratio between short and long term interest rates among one another) may influence the profits of the Issuer. The composition of financial assets and liabilities as well as the mismatches resulting from such composition may cause a change in the profits of the Issuer as a result of fluctuations in interest rates. Changes in interest rate levels have a particular impact on differing maturity dates and currencies. A mismatch between the maturity of interest bearing financial assets and interest bearing liabilities within a certain time may have a considerable adverse effect on the financial situation and results of the Issuer.

Currency Risk

The Issuer may enter into transactions in currencies other than its functional currency (U.S. Dollars). Changes in exchange rates may result in foreign exchange gains and losses.

Liquidity Risk

The Issuer may hold various financial assets. Besides market risk, such assets are also subject to the risk that as a result of insufficient market liquidity the relevant assets cannot be sold or hedged on short notice or can only be sold for a lower price. Such risk especially exists in relation to assets for which there are no markets with

sufficient liquidity from the beginning. Limited liquidity in respect of such assets may also adversely affect the liquidity of the Issuer.

Regulatory Risk

The Issuer's business activities in each jurisdiction in which it operates or has business dealings, either now or in the future, are, or may in the future be, subject to extensive supervision and regulation. Changes in laws, Sanctions or regulation may require the Issuer to change its business or certain products and cause significant costs to the Issuer. Furthermore, as a result of changes in the relevant regulatory authority's code of practice the Issuer may have to change part of its business or products or increase its administrative expenses to comply with the changed regulatory requirements which again will involve an increase of cost for the Issuer. Such possible increase in costs would adversely affect the Issuer's financial situation and profits.

The business of the Issuer and other members of the Nomura Group may be affected by global financial regulatory reforms, including but not limited to the regulatory changes brought about by the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States (Financial Reform Legislation). These reforms are ongoing and it is difficult precisely to predict how proposals and other draft regulations may impact the business strategy, operations and costs of the Issuer and other members of the Nomura Group until such reforms are fully implemented. However, by way of illustration only, and without attempting to be exhaustive, Financial Reform Legislation may impose limits on the maximum position that could be held by a single trader in certain of the Reference Items and may subject certain transactions to new forms of regulation that could create barriers to some types of hedging activity by the Issuer or any of its Affiliates. Other provisions of Financial Reform Legislation could require certain Reference Items or hedging transactions to be cleared, traded on a regulated exchange and reported to regulators, central data repositories and, in some cases, the public. Financial Reform Legislation may also expand entity licensing or registration requirements and impose business conduct requirements on persons active in the swaps market (including new capital and margin requirements), which may affect the value of the Reference Items or value and/or cost of hedging transactions.

The regulations, requirements or obligations described above may adversely affect the value, trading price and viability of the Securities and could potentially limit or completely restrict the ability of the Issuer to hedge its exposure on the Securities, increase the costs of hedging or make hedging strategies less effective.

The Issuer may also be indirectly affected by any impact that the comprehensive changes to the capital adequacy framework proposed by the Basel Committee on Banking Supervision (the Basel Committee) may have on the Nomura Group (such changes commonly referred to as Basel III). Such potential impact is discussed in more detail in the section entitled "*Risks relating to the Nomura Group*" below.

Reputational Risk

The Issuer constantly depends on generating new business. Therefore, the Issuer is continuously in discussion with business partners and clients in order to generate new business. A deterioration of the Issuer's business reputation (or the reputation of the Nomura Group generally), particularly in form of negative media publicity, may have the effect that potential clients and business partners decide against entering into business transactions with the Issuer. This may have an adverse effect on the profitability and, therefore, the perceived creditworthiness of the Issuer.

Operational Risk / Business Risk

For its business operations the Issuer depends on access to human resources and infrastructure to ensure its profitability and credit rating in the long term. Such operations are primarily supported by other group affiliates. Operational incidents (e.g. natural disasters, pandemics, accidents and terrorist action) and disruption in the support from group affiliates, which are not reasonably foreseeable and which prevent the normal course of business are likely to lead to adverse economic consequences for the Issuer. This similarly applies to a loss of personnel which cannot be compensated by usual counteractive measures, such as new hiring or transfer of personnel. Such events may have a negative effect on the financial situation (including creditworthiness) and the business performance of the Issuer.

Risks relating to Singapore taxation

The Securities are complex structured financial instruments, and the Singapore taxation section in the Base Prospectus does not purport to discuss all of the potential Singapore tax issues which may arise under all circumstances. The tax treatment for the purposes of goods and service tax on transactions in complex warrants is not entirely certain in Singapore. In addition, the Issuer is not a tax exempt entity in Singapore, and while the Issuer will seek to minimise its tax liabilities, no assurance can be given that the Issuer will never be subject to Singapore income tax on its income which may adversely affect its ability to make payment on Securities. Prospective holders of Securities, whether subject to tax in Singapore or any other jurisdiction, should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment.

4. Risks relating to the Nomura Group

In this Document, the term "Nomura Group" describes the NHI Guarantor (or "NHI") and its consolidated subsidiaries, including the Issuer and the NSC Guarantor (or "NSC"), each of which is a wholly owned subsidiary of the NHI Guarantor. Any factors which affect the financial condition and/or creditworthiness of the NHI Guarantor may have a direct or indirect impact upon the financial condition and/or creditworthiness of other entities within the Nomura Group, including the Issuer and the NSC Guarantor. Accordingly, risks identified in this "Risks relating to the Nomura Group" section relating to the NHI Guarantor should, unless the context requires otherwise, be construed as potentially applying also to all other entities within the Nomura Group including, in particular, the Issuer and the NSC Guarantor.

The Nomura Group's business may be materially affected by financial markets, economic conditions and market fluctuations in Japan and elsewhere around the world

The Nomura Group's business and revenues may be affected by any adverse changes or volatility in the Japanese and global economic environments and financial markets. In addition, not only purely economic factors but also wars, acts of terrorism, economic or political sanctions, pandemics, forecasts of geopolitical risks and geopolitical events which have actually occurred, natural disasters or other similar events could have an effect on the financial markets and economies of each country. If any adverse events including those discussed above were to occur, a market or economic downturn may last for a long period of time, which could adversely affect the Nomura Group's business and can result in it incurring substantial losses. In addition to conditions in financial markets, social conditions such as the long-term trends of population ageing and population decline faced by Japan are expected to continue to put downward pressure on demand in the businesses in which the Nomura Group operates, including, in particular, its retail business. The following are certain risks related to the financial markets and economic conditions for the Nomura Group's specific businesses.

Governmental fiscal and monetary policy changes in Japan, or in any other country or region where the Nomura Group conducts business may affect its business, financial condition and results of operations

The Nomura Group engages in its business globally through domestic and international offices. Governmental fiscal, monetary and other policy changes in Japan, or in any other country or region where the Nomura Group conducts business may affect its business, financial condition and results of operations. In addition, any changes to the monetary policy of the Bank of Japan or central banks in major economies worldwide, which could potentially lead to volatility of interest rate or yields may negatively affect the Nomura Group's ability to provide asset management products to its clients as well as the Nomura Group's trading and investment activities. For example, in the fiscal year ended 31 March 2023, the U.S. Federal Open Market Committee increased the federal funds rate multiple times as part of its strategy to combat inflation, leading to significant increases in U.S. Dollar interest rates as well as turmoil in the banking sector in the United States and in other countries, causing significant market volatility widely affecting the Nomura Group's business and the financial services industry.

The COVID-19 pandemic has affected the Nomura Group's business

The COVID-19 pandemic that began in 2020, and governmental measures to prevent its spread, have significantly affected the operating environment, for example causing volatility in global equity prices, interest rates and elsewhere and a widening of credit spreads. While the spread or impact of the disease is gradually

subsiding as vaccination efforts progress, ongoing negative effects on markets, economic activity or the operating environment could further adversely affect the Nomura Group's business, results of operations and financial condition.

The Nomura Group's brokerage and asset management revenues may decline

A market downturn could result in a decline in the revenues generated by the Nomura Group's brokerage business because of a decline in the volume and value of securities that the Nomura Group brokers for its clients. Also, within the Nomura Group's asset management and investment management business, in most cases, the Nomura Group charges fees for managing its clients' portfolios that are based on the market value of their portfolios. A market downturn that reduces the market value of the Nomura Group's clients' portfolios may increase the amount of withdrawals or reduce the amount of new investments in these portfolios, and would reduce the revenue the Nomura Group receives from these businesses. Also, any changes in the Nomura Group's clients' investment preferences on their asset portfolios, including shifting investment assets to stable assets such as deposits and/or passive funds, which bring relatively low fee revenue to the Nomura Group, may reduce the Nomura Group's revenue as well. A market downturn or a change in investor preferences as described above may adversely affect the financial performance of the Nomura Group and the market perception thereof. In turn, this could have an adverse impact on the demand (if any) for the Securities in the secondary market.

The Nomura Group's investment banking revenues may decline

Changes in financial or economic conditions would likely affect the number and size of transactions for which the Nomura Group provides securities underwriting, financial advisory and other investment banking services. The Nomura Group's investment banking revenues, which include fees from these services, are directly related to the number and size of the transactions in which the Nomura Group participates and would therefore decrease if there are financial and market changes unfavourable to its investment banking business and its clients.

For example, net revenue from the Nomura Group's investment banking activities declined during the year ended 31 March 2023 compared to the years ended 31 March 2021 and 2022 primarily due to geopolitical developments and uncertainty regarding the economic outlook, and net revenues may decline further in light of a decrease in M&A activities and other investment banking activities.

Any such decrease in the Nomura Group's investment banking revenues may have an adverse impact on the Nomura Group's financial performance, which could in turn adversely affect the value of the Securities. Ultimately, a sustained decrease in investment banking revenues caused by severe and continuing changes in financial or economic conditions may adversely affect the creditworthiness of the Issuer and, as a result, increase the risk that the Issuer will be unable to meet its obligations in respect of the Securities.

The Nomura Group's electronic trading business revenues may decline

Electronic trading is essential for the Nomura Group's business in order to execute trades faster with fewer resources. Utilising these systems allows the Nomura Group to provide an efficient execution platform and on-line content and tools to its clients via exchanges or other automated trading facilities. Revenue from the Nomura Group's electronic trading, which includes trading commissions and bid-offer spreads, is directly correlated with the number and size of the transactions in which the Nomura Group participates. Competition in electronic trading is intense and the introduction of highly discounted or no-commission trades at competitors has and will continue to exert pressure on the Nomura Group's electronic and traditional trading revenue. Moreover, such revenue would decrease if there are financial market or economic changes that would cause its clients to trade less frequently or in a smaller amount. Even if trade volumes increase due to the convenience of electronic trading, this may not be sufficient to offset margin erosion in the Nomura Group's execution business, leading to a potential decline in revenue generated from this business. The Nomura Group continues to invest in developing technologies to provide an efficient trading platform; however, the Nomura Group may fail to maximise returns on these investments due to this increased pressure on lowering margins. Increased competition and/or reduced demand for electronic trading services as described above may adversely affect those areas of the Nomura Group's business that rely on such services to generate sales and revenue. Over time this could have a negative impact on the Nomura Group's financial performance more broadly, which may adversely affect the value of the Securities.

The Nomura Group may incur significant losses from its trading and investment activities

The Nomura Group maintains trading and investment positions in fixed income, equity and other markets, both for proprietary purposes and for the purpose of facilitating its clients' trades. The Nomura Group's positions consist of various types of assets, including securities, derivatives transactions with equity, interest rate, currency, credit and other underliers, as well as loans and reverse repurchase agreements. Fluctuations in the markets where these assets are traded can adversely affect the value of the Nomura Group's positions, in these assets, with downturns potentially negatively affecting long positions and upturns potentially negatively affecting short positions. Although the Nomura Group continues to mitigate these position risks with a variety of hedging techniques, it may also incur losses if the value of these assets fluctuates or if the financial system is overly stressed and the markets move in a way it has not anticipated. In addition, prices of crypto-assets may fluctuate significantly due to various factors such as developments in the industry or in regulation of crypto assets.

The Nomura Group's businesses have been, and may continue to be, affected by changes in market volatility levels. Certain of the Nomura Group's trading businesses such as those engaged in trading and arbitrage opportunities depend on market volatility to generate revenues. Lower volatility may lead to a decrease in business opportunities which may affect the results of operations of these businesses. On the other hand, while higher volatility can increase trading volumes, it also increases risk as measured by Value-at-Risk (**VaR**). Higher volatility and wider bid offer spreads may expose the Nomura Group to higher risks in connection with its market-making and proprietary trading businesses. Higher volatility can also cause the Nomura Group to reduce the outstanding positions or size of these businesses where it considers necessary.

For example, in March 2021, following the default of a U.S. prime brokerage client in respect of a margin call (the **U.S. Prime Brokerage Event**), the Nomura Group issued a close-out event notice to such client, and proceeded to wind down positions held as hedges for transactions with the client, leading the Nomura Group to recognise significant trading losses on the unwinding of the underlying positions and a provision for expected credit losses to reflect a shortfall in the value of securities pledged by the client as collateral against financing provided to it. Despite the Nomura Group's actions in response to the U.S. Prime Brokerage Event, including to improve its risk management activities, its business model necessarily involves significant trading activity, and it may record significant losses as a result of such trading activity again in the future.

Furthermore, the Nomura Group commits capital to take relatively large positions for underwriting or warehousing assets to facilitate certain capital market transactions. The Nomura Group also structures and takes positions in pilot funds for developing financial investment products and invests seed money to set up and support financial investment products. The Nomura Group may incur significant losses from these positions in the event of significant market fluctuations.

In addition, if the Nomura Group is the party providing collateral in a transaction, significant declines in the value of the collateral or a requirement to provide additional collateral due to a decline in its creditworthiness (by way of a lowered credit rating or otherwise) can increase its costs and reduce its profitability. On the other hand, if the Nomura Group is the party receiving collateral from its clients and counterparties, such declines may also affect its profitability due to a decrease in client transactions.

Transition from U.S. Dollar LIBOR to alternative rate indices may adversely affect the Nomura Group's business

The UK FCA confirmed on 5 March 2021 that U.S. Dollar LIBOR settings will cease after 30 June 2023. All transaction agreements which refer to U.S. Dollar LIBOR and remain after its cessation are expected to be amended to refer alternative reference rates; or to be altered by adding fallback provisions that are agreed between the contracting parties in advance. These changes could require the Nomura Group to incur additional costs and subject it to risks associated with systematic reform, operational application and client disclosure, or adversely impact the pricing, volatility and liquidity of financial products including derivatives, bonds and loans which reference U.S. Dollar LIBOR. Therefore, the Nomura Group's business, financial condition and results of operations could be materially and adversely affected and/or it could be subject to disputes, litigation or other actions with counterparties or relative participants.

The Nomura Group has established a firmwide LIBOR transition programme to manage the transition away from these IBORs which includes transitions to alternative reference rates i.e. risk-free rates (**RFRs**) (please

see the "Investment Considerations" section). However, the transactions referring to the alternative rate indices are not yet widely familiar in the market, there is significant uncertainty regarding their application and acceptance, and the Nomura Group may not be successful in managing this transition without potentially serious disruption to its business.

Holding large and concentrated positions of securities and other assets may expose the Nomura Group to significant losses

The Nomura Group holds large and concentrated positions of certain securities in its businesses such as market-making, block trading, underwriting, asset securitisation, prime brokerage, acquiring newly-issued convertible debt securities through third-party allotment or providing business solutions to meet clients' needs. The Nomura Group has committed substantial amounts of capital to these businesses. This often requires the Nomura Group to take large positions in the securities of a particular issuer or issuers in a particular industry, country or region. Fluctuations in the prices of these securities can significantly affect the prices at which the Nomura Group is able to liquidate them when needed, resulting in it incurring significant trading losses, such as those incurred in connection with the U.S. Prime Brokerage Event. The Nomura Group generally has higher exposure to those issuers engaged in financial services businesses, including commercial banks, broker-dealers, clearing houses, exchanges and investment companies. There may also be cases where the Nomura Group holds relatively large amounts of securities by issuers in particular countries or regions due to the business it conducts with its clients or its counterparties. In addition, the Nomura Group may incur losses due to market fluctuations on asset-backed securities such as residential mortgage-backed securities (**RMBS**) and commercial mortgage-backed securities (**CMBS**).

Extended market declines and decreases in market participants can reduce liquidity and lead to material losses

Extended market declines can reduce the level of market activity and the liquidity of the assets traded in those markets in which the Nomura Group operates. Market liquidity may also be affected by decreases in market participants, for example, if financial institutions scale back market-related businesses due to increasing regulation or other reasons. As a result, it may be difficult for the Nomura Group to sell, hedge or value such assets. In the event that a market fails in pricing such assets, it will be difficult to estimate their values. If the Nomura Group cannot properly close out or hedge its associated positions in a timely manner or in full, particularly with respect to Over-The-Counter (**OTC**) derivatives, it may incur substantial losses. Further, if the liquidity of a market significantly decreases and the market may become unable to price financial instruments held by the Nomura Group, this could lead to unanticipated losses.

The Nomura Group's hedging strategies may not prevent losses

The Nomura Group uses a variety of financial instruments and strategies to hedge its exposure to financial risks arising from the financial instruments it enters into for proprietary purposes or for its clients. If the Nomura Group's hedging strategies are not effective, the Nomura Group may incur losses. The Nomura Group bases many of its hedging strategies on historical trading patterns and correlations. For example, if the Nomura Group holds an asset, it may hedge this position by taking a position in another asset which has, historically, moved in a direction that would offset a change in value of the former asset. However, historical trading patterns and correlations may not continue, as seen in the case of past financial crises, and these hedging strategies may not be fully effective in mitigating the Nomura Group's risk exposure because it is exposed to all types of risk in a variety of market environments. Moreover, not all hedging strategies are effective, and certain strategies may, if the risk is not otherwise appropriately managed, increase the Nomura Group's risk. For example, many of the transactions leading to the U.S. Prime Brokerage Event entailed providing the client with "total return swap" derivatives exposure to certain equities. In order to hedge the total return payments the Nomura Group was obligated to make to the client, it held long positions in the underlying equities. However, this specific hedging strategy was not intended to hedge the risk of a default by the client and the potential need to liquidate the underlying positions in a volatile market environment. When such risk was realised, the Nomura Group's hedging strategy of holding the underlying securities meant that it was exposed to such market fluctuations, contributing to the losses it incurred.

The Nomura Group's risk management policies and procedures may not be fully effective in managing risks

The Nomura Group's policies and procedures to identify, monitor and manage risks may not be fully effective. Although some of the Nomura Group's methods of managing risk are based upon observed historical market data, the future movements in the financial markets may not be the same as was observed in the past. As a result, the Nomura Group may suffer significant losses through unexpected future risk exposures. Other risk management methods that the Nomura Group uses also rely on its evaluation of information regarding markets, clients or other matters, which is publicly available or otherwise accessible by the Nomura Group. This information may not be accurate, complete, up-to-date or properly evaluated, and the Nomura Group may be unable to properly assess its risks, and thereby suffer large losses. Furthermore, certain factors, such as market volatility, may render the Nomura Group's risk evaluation model unsuitable for a new market environment. In such event, the Nomura Group may become unable to evaluate or otherwise manage its risks adequately. Moreover, regardless of how well policies and procedures are designed, they must be properly implemented and followed in order to be effective, which may not always occur despite the Nomura Group's diligent efforts. Further, potential weaknesses in the Nomura Group's organisation structures and governance frameworks may lead to misunderstanding over roles and responsibilities.

For example, with respect to the U.S. Prime Brokerage Event, the Nomura Group incurred significant losses through exposures to the client's counterparty risk and market risks relating to the securities underlying the prime brokerage transactions with the client. The Nomura Group has reviewed and are in the process of completing a number of actions to comprehensively review, revise and strengthen its risk management policies and procedures and the implementation thereof. Such actions remain ongoing, however, and when completed, may not be sufficient to prevent similar exposure to such risks in the future, including to identify and rectify potential shortcomings, whether within the same business or among the Nomura Group's many other business units, impairing the ability of such policies and procedures to prevent future losses.

Market risk may increase other risks that the Nomura Group faces

In addition to the potentially adverse effects on the Nomura Group's businesses described above, market risk could exacerbate other risks that the Nomura Group faces. For example, the risks inherent in financial instruments developed through financial engineering and innovation may be increased by market risk.

Also, if the Nomura Group incurs significant trading losses caused by its exposure to market risk, its need for liquidity could rise sharply while its access to cash may be impaired as a result of market perception of its credit risk.

Furthermore, in a downturn in the market overall or for specific securities, the Nomura Group's clients and counterparties could incur significant losses or experience other adverse events of their own, thereby weakening their financial condition and, as a result, increasing the credit risk they pose to the Nomura Group, such as occurred as part of the U.S. Prime Brokerage Event.

The Nomura Group may have to recognise impairment losses with regard to the amount of goodwill, tangible and intangible assets recognised on its consolidated balance sheets

The Nomura Group has purchased all or a part of the equity interests in, or operations from, certain other companies in order to pursue its business expansion, and expect to continue to do so when and as it deems appropriate. The Nomura Group accounts for certain of those and similar purchases and acquisitions as a business combination under U.S. GAAP by allocating the Nomura Group's acquisition costs to the assets acquired and liabilities assumed and recognising the remaining amount as goodwill. On 1 April 2020, Nomura Group acquired 100 per cent. of Greentech Capital, LLC (**Greentech**) and goodwill of ¥12,480 million is reported on the Nomura Group's consolidated balance sheet. The Nomura Group also possesses tangible and intangible assets other than those stated above.

The Nomura Group may have to recognise impairment losses, as well as other losses associated with subsequent transactions, with regard to the amount of goodwill, tangible and intangible assets and, recognised on the NHI Guarantor's consolidated group balance sheet which may adversely affect its financial condition and results of operations. For example, during the year ended 31 March 2019 the Nomura Group recognised an impairment loss on goodwill in its Wholesale segment attributable to previous overseas acquisitions of ¥81,372 million.

Liquidity risk could impair the Nomura Group's ability to fund operations and jeopardise its financial condition

Liquidity, or having ready access to cash, is essential to the Nomura Group's business. The Nomura Group defines liquidity risk as the risk of loss arising from difficulty in securing the necessary funding or from a significantly higher cost of funding than normal levels due to deterioration of its creditworthiness or deterioration in market conditions. In addition to maintaining a readily available cash position, the Nomura Group seeks to secure ample liquidity through repurchase agreements and securities lending transactions, long-term borrowings and the issuance of long-term debt securities, diversification of its short-term funding sources such as commercial paper, and by holding a portfolio of highly liquid assets. The Nomura Group bears the risk that it may lose liquidity under certain circumstances, including the following:

The Nomura Group may be unable to access unsecured or secured funding

The Nomura Group continuously accesses unsecured funding from issuance of securities in the short-term credit markets and debt capital markets as well as bank borrowings to finance its day-to-day operations, including refinancing. The Nomura Group also enters into repurchase agreements and securities lending transactions to raise secured funding for its trading businesses. An inability to access unsecured or secured funding or funding at significantly higher cost than normal levels could have a substantial negative effect on its liquidity. For example, lenders could refuse to extend the credit necessary for the Nomura Group to conduct its business based on their assessment of the Nomura Group's long-term or short-term financial prospects if:

- the Nomura Group incurs large trading losses,
- the level of its business activity decreases due to a market downturn,
- regulatory authorities take significant action against it, or
- its credit rating is downgraded.

In addition to the above, the Nomura Group's ability to borrow in the debt capital markets could also be adversely impacted by factors that are not specific to the Nomura Group, such as increases in market interest rates, reductions in banks' lending capacity, a severe disruption of the financial and credit markets, negative views about the general prospects for the investment banking, brokerage or financial services industries, or negative market perceptions of Japan's financial soundness.

The Nomura Group may be unable to sell assets

If the Nomura Group is unable to raise funds or if its liquidity declines significantly, it will need to liquidate assets or take other actions in order to meet its maturing liabilities. In volatile or uncertain market environments, overall market liquidity may decline. In a time of reduced market liquidity, the Nomura Group may be unable to sell some of its assets, or it may have to sell at depressed prices, which could adversely affect its results of operations and financial condition. The Nomura Group's ability to sell assets may also be adversely impacted by other market participants seeking to sell similar assets into the market at the same time.

Lowering of the Nomura Group's credit ratings could impact its funding

The Nomura Group's funding depends significantly on its credit ratings. Rating agencies may reduce or withdraw their ratings or place the Nomura Group on "credit watch" with negative implications. For example, following the U.S. Prime Brokerage Event, in March 2021, Fitch Ratings, Inc. placed the Nomura Group's credit ratings on negative watch and Moody's Investors Service, Inc. changed the outlook on the Nomura Group's credit ratings to negative, which may lead either agency to downgrade its credit ratings in the future. Future downgrades could increase the Nomura Group's funding costs and limit its funding. This, in turn, could adversely affect its result of operations and its financial condition. In addition, other factors which are not specific to the Nomura Group may impact its funding, such as negative market perceptions of Japan's financial soundness.

Event risk may cause losses in the Nomura Group's trading and investment assets as well as market and liquidity risk

Event risk refers to potential losses the Nomura Group may suffer through unpredictable events that cause large unexpected market price movements such as natural or man-made disasters, epidemics, acts of terrorism,

armed conflicts or political instability, as well as adverse events specifically affecting the Nomura Group's business activities or counterparties. These events include not only significant events such as the Great East Japan Earthquake in March 2011, the increasing tensions on the Korean Peninsula following North Korean nuclear tests in 2017, sudden and unexpected developments in global trade or security policies such as tensions between the United States and China since 2018 and ongoing geopolitical tensions in Asia overall, the COVID-19 pandemic in 2020, and the invasion of Ukraine by the Russian Federation in 2022, but also more specifically the following types of events that could cause losses in the Nomura Group's trading and investment assets:

- sudden and significant reductions in credit ratings with regard to financial instruments held by the Nomura Group's trading and investment businesses by major rating agencies;
- sudden changes in trading, tax, accounting, regulatory requirements, laws and other related rules which may make the Nomura Group's trading strategy obsolete, less competitive or no longer viable; or
- an unexpected failure in a corporate transaction in which the Nomura Group participates resulting in its not receiving the consideration the Nomura Group should have received, as well as bankruptcy, deliberate acts of fraud, and administrative penalty with respect to the issuers of its trading and investment assets.

The Nomura Group may be exposed to losses when third parties do not perform their obligations to the Nomura Group

The Nomura Group's counterparties are from time to time indebted or otherwise owe certain obligations (such as with regards to the posting of collateral) to the Nomura Group as a result of transactions or contracts, including loans, commitments to lend, other contingent liabilities and derivative transactions. The Nomura Group may incur material losses when its counterparties default or fail to perform on their obligations to it due to their filing for bankruptcy, a deterioration in their creditworthiness, lack of liquidity, operational failure, an economic or political event, repudiation of the transaction or for other reasons. The U.S. Prime Brokerage Event, during which a U.S. prime brokerage client defaulted on obligations to the Nomura Group to post additional margin in respect of trading activities as well as to repay amounts lent against collateral held by the Nomura Group, is an example. Although the Nomura Group establishes and maintains allowances for credit losses, such allowances reflect management judgments and assumptions based on information available to the Nomura Group, which may provide incorrect or incomplete, and these judgments and assumptions may prove to be incorrect, potentially significantly so.

Credit risk may also arise from:

- holding securities issued by third parties; or
- the execution of securities, futures, currency or derivative transactions that fail to settle at the required time due to non-delivery by the counterparty of the Nomura Group, such as financial institutions and hedge funds or to systems failure by clearing agents, exchanges, clearing houses or other financial infrastructure.

Issues related to third party credit risk may include the following:

Defaults by a large financial institution could adversely affect the financial markets generally and the Nomura Group specifically

The commercial soundness of many financial institutions is closely interrelated as a result of credit, trading, clearing or other relationships among the institutions. As a result, concern about the creditworthiness of or a default by, a certain financial institution could lead to significant liquidity problems or losses in, or defaults by, other financial institutions. This may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Nomura Group interacts on a daily basis. Actual defaults, increases in perceived default risk and other similar events could arise in the future and could have an adverse effect on the financial markets and on the Nomura Group. The Nomura Group's funding operations may be adversely affected if major financial institutions, Japanese or otherwise, fail or experience severe liquidity or solvency problems.

There can be no assurance as to the accuracy of the information about its credit risk, or the sufficiency of the collateral the Nomura Group uses in managing it

The Nomura Group regularly reviews its credit exposure to specific clients or counterparties and to specific countries and regions that it believes may present credit concerns. Default risk, however, may arise from events or circumstances that the Nomura Group does not detect, such as account-rigging and fraud. The Nomura Group may also fail to receive full information with respect to the risks of a counterparty, or to accurately manage and assess such information internally. For example, the Nomura Group's credit risk assessments with respect to the client whose default led to the U.S. Prime Brokerage Event did not reflect the full extent of the client's relevant trading activity. In addition, in cases where the Nomura Group has extended credit against collateral, it may fall into a deficiency in value in the collateral if sudden declines in market values reduce the value of its collateral, as was the case with loans extended to the prime brokerage client leading in part to the U.S. Prime Brokerage Event.

The Nomura Group's clients and counterparties may be unable to perform their obligations to the Nomura Group as a result of political or economic conditions

Country, regional and political risks are components of credit risk, as well as market risk. Political or economic pressures in a country or region, including those arising from local market disruptions or currency crises, may adversely affect the ability of clients or counterparties located in that country or region to obtain credit or foreign exchange, and therefore to perform their obligations owed to the Nomura Group.

The Nomura Group is exposed to model risk, i.e., risk of financial loss, incorrect decision making, or damage to the firm's credibility arising from model errors or incorrect or inappropriate model application

Models are widely used by the Nomura Group for various purposes including valuation of low liquidity derivative transactions or estimation of credit worthiness of obligors. However, models are never perfect, and their use subjects the Nomura Group to model risk. Model errors or incorrect or inappropriate model applications could lead to incorrect decision making, financial losses or damage to the firm's credibility.

Environmental, Social and Governance factors including climate change and broader associated policy changes in each jurisdiction could adversely affect the Nomura Group's business

Increasing attention to the management of Environmental, Social and Governance (ESG) factors in the business makes it imperative that the Nomura Group continues to develop its policies and capabilities in these areas, and the Nomura Group acts responsibly toward its stakeholders including its shareholders, clients and society at large. Amid rapidly changing circumstances around ESG, lack of sufficient focus on ESG matters such as the environment or human rights may impede the Nomura Group's ability to maintain a sustainable business model and support clients facing trends such as the just transition to the low carbon economy or other ESG-related initiatives, and, may also adversely affect its reputation, results of operations and financial condition. Reputational risks also include the risk associated with over-stating Nomura Group's credentials, or not delivering on commitments it has made (also known as "greenwashing").

The Nomura Group considers climate change one of the most important global challenges facing society. The direct impact of climate change, and the resulting changes in the business environment could cause losses to the Nomura Group. Climate risks are widely recognised to have two aspects – physical and transition risks. Physical risk refers to the risk of loss or damage driven by extreme weather events, such as hurricane, flood, drought, heatwave or frost, or from the longer term shifts in climate patterns and rising sea levels. Transition risk is the risk associated with the transition to a low-carbon economy, and could result from changing government policies, technologies or changes to consumer demand.

The financial services industry faces intense competition

The Nomura Group's businesses are intensely competitive, and are expected to remain so. The Nomura Group competes on the basis of a number of factors, including transaction execution capability, its products and services, innovation, reputation and price. The Nomura Group has experienced intense price competition, particularly in brokerage, investment banking and other businesses.

Competition with other financial firms and financial services by non-financial companies is increasing

The Nomura Group faces intense competition in the financial services sector from a wide variety of competitors. In Japan, the Nomura Group competes with other independent Japanese securities firms as well as securities firms affiliated with commercial banks and with overseas firms. As a result, the Nomura Group's market shares in the sales and trading, investment banking and retail businesses in particular have been affected. In recent years, competition has intensified beyond the traditional financial sector based on the increasing digitalisation of the industry, not only with the rise of online securities firms but also FinTech companies and the entry of non-financial companies into the financial services sector. In order to address such changes in the competitive landscape, the Nomura Group has already begun various efforts to implement these changes in the competitive environment. However, these measures may not be successful in growing or maintaining the Nomura Group's market share in this increasingly fierce competitive environment, and the Nomura Group may lose business or transactions to its competitors, harming its business and results of operations.

Increased consolidation, business alliance and cooperation in the financial services industry mean increased competition for the Nomura Group

There has been substantial consolidation and convergence among companies in the financial services industry. In particular, a number of large commercial banks and other broad-based large financial services groups have established or acquired broker-dealers or have consolidated with other financial institutions. These large financial services groups have developed business linkage within their respective groups in order to provide comprehensive financial services to clients, offering a wide range of products, including loans, deposit-taking, insurance, brokerage, asset management and investment banking services within their group, which may enhance their competitive position compared with the Nomura Group. They also have the ability to supplement their investment banking and brokerage businesses with commercial banking and other financial services revenues in an effort to gain market share. In addition, the financial services industry has seen collaboration beyond the borders of businesses and industries, such as alliances between commercial banks and securities companies outside of the framework of existing corporate groups and recent alliances with non-financial companies including emerging companies. The Nomura Group's competitiveness may be adversely affected if its competitors are able to expand their businesses and improve their profitability through such business alliances. The Nomura Group also enters into strategic alliances, makes investments and launches new businesses. However, if the development and implementation of these business strategies do not proceed as expected, the Nomura Group may not be able to achieve the expected synergies and other benefits or recoup related investments. These new business initiatives and acquisitions may subject the Nomura Group to increased risk as it engages in new activities, transacts with a broader array of clients and counterparties and exposes it to new asset classes and new markets.

The Nomura Group's global business continues to face intense competition and may require further revisions to its business model

The Nomura Group continues to believe there are significant opportunities in the international markets, but there is also significant competition associated with such opportunities. In order to take advantage of these opportunities, the Nomura Group will have to compete successfully with financial services firms based in important non-Japanese markets, including the U.S., Europe and Asia. Despite the Nomura Group's efforts facing competition, it recognised an impairment loss on goodwill attributable to previous overseas acquisitions of ¥81,372 million in the fiscal year ended 31 March 2019.

Since April 2019, the Nomura Group has been working to rebuild its global business platform, under which it aims to transform its business portfolio and pivot towards client businesses and growth areas. The acquisition of Greentech in 2020 and transfer of a stake of Capital Nomura Securities Public Company Limited in 2023, are examples of reviewing the Nomura Group's business platform, both organically and inorganically. The Nomura Group will continue to review its entire business portfolio while looking at the competitive environment, and intends to implement its strategies in consideration of potential risks. However, the risk remains that it may be required to incur greater expenses than expected, or to commit greater financial, management and other resources to the strategies than expected, which could adversely affect its business and results of operations. Moreover, the assumptions and expectations upon which the strategies are based may not be correct, which could lead to it realising fewer benefits than expected or could even harm its business

and results of operations overall. Furthermore, to the extent it reduces compensation or headcount as part of this strategy, its ability to attract and retain the employees needed to successfully run its businesses could be adversely affected. It may also be unsuccessful in designing a streamlined management structure, which could harm its ability to properly control or supervise its many businesses across the world.

Operational risk could adversely affect the Nomura Group's business

Operational risk is the risk of financial loss or non-financial impact arising from inadequate or failed internal processes and systems, from a lack of appropriate personnel, from human errors, or from external events, and includes compliance, legal, IT and cyber security, fraud, third party, and other non-financial risks. The Nomura Group always faces the potential of operational risk, and if materialises, it could adversely affect its business.

Misconduct or fraud by an employee, director or officer, or any third party, could occur, and the Nomura Group's reputation in the market and its relationships with clients could be harmed

The Nomura Group always faces the risk that its employees, directors or officers, or any third party, could engage in misconduct that may adversely affect its business. Misconduct by an employee, director or officer includes conduct such as entering into transactions in excess of authorised limits, acceptance of risks that exceed the Nomura Group's limits, or concealment of unauthorised or unsuccessful activities. The misconduct could also involve the improper use or disclosure of non-public information relating to the Nomura Group or its clients, such as insider trading, improper transmission of such information and the recommendation of trades based on such information, as well as other crimes, which could result in regulatory sanctions, legal liability and serious reputational or financial damage to the Nomura Group.

For example, on 5 March 2019, a researcher at Nomura Research Institute, Ltd. (**NRI**), NHI's equity-method affiliate, revealed information that there was a high possibility that the standard for designating the top market of the Tokyo Stock Exchange (the **TSE**) would fall to ¥25 billion, which had been under review at the TSE, to a chief strategist (the **NSC Strategist**) in the research division of NSC. The researcher at NRI was a member of the Advisory Group to Review the TSE Equity Market Structure and received this information in such capacity. On the same day and the next day, the NSC Strategist communicated the information to certain people including members of Japanese stock sales team of NSC and Nomura International (Hong Kong) Limited (**NIHK**), some of whom provided the information to their institutional investor clients. Although the provision of the information did not represent a violation of law, it was an inappropriate conduct and impaired the implicit trust placed in the Nomura Group and its employees by other market participants. Following a special internal investigation conducted by external experts, on 24 May 2019, NHI announced a remediation plan and the reduction of compensation of certain of its executives and those of NSC. On 28 May 2019, the Financial Services Agency of Japan (the **Japanese FSA**) issued a business improvement order to NHI and to NSC, requiring NHI to clarify responsibility for this incident, develop and submit a detailed improvement plan, and report periodically on the implementation and effectiveness of measures for improvement, and on 28 August 2019, a fine of ¥10 million was imposed by Tokyo Stock Exchange, Inc. as a penalty.

Third parties may also engage in fraudulent activities, including devising a fraudulent scheme to induce the Nomura Group's investment, loans, guarantee or any other form of financial commitment, both direct and indirect. Because of the broad range of businesses that the Nomura Group engages in and the large number of third parties with whom the Nomura Group deals in its day-to-day business operations, such fraud or any other misconduct may be difficult to prevent or detect, and its future reputation and financial condition could be adversely affected, which could result in serious reputational or financial damage to the Nomura Group in the future.

Measures which the Nomura Group has implemented or additional measures that may be implemented in the future may not be effective in preventing or managing the risk of misconduct or fraud in all cases, and the Nomura Group may not always be able to detect or deter misconduct or fraud by an employee, director, officers, or third parties. If any administrative or judicial sanction is issued against the Nomura Group as a result of such fraud or misconduct, it may lose business opportunities, and its future revenue and results of operations may be materially and adversely affected, even after the sanction is lifted, if and to the extent that its clients, especially public institutions, decide not to engage the Nomura Group for their financial transactions.

A failure to identify and appropriately address conflicts of interest could adversely affect the Nomura Group's business

The Nomura Group is a global financial institution that provides a wide range of products and services to a diverse group of clients, including individuals, corporations, other financial institutions and governmental institutions. As such, the Nomura Group faces potential conflicts of interest in the ordinary course of its business. Conflicts of interests can arise when the Nomura Group's services to a particular client conflict or compete, or are perceived to conflict or compete, with its own interests. In addition, where non-public information is not appropriately restricted or shared within the firm, conflicts of interest can also arise where a transaction within the Nomura Group and/or a transaction with another client conflicts or competes, or is perceived to conflict or compete, with a transaction with a particular client. A failure, or a perceived failure, to identify, disclose and appropriately address such conflicts could adversely affect its reputation, the willingness of current or potential clients to do business with it and its revenues and results of operations. In addition, conflicts of interest could give rise to regulatory actions or litigation.

The Nomura Group's business is subject to substantial legal, regulatory and reputational risks

Substantial legal liability or a significant regulatory action against the Nomura Group could have a material adverse effect on the Nomura Group's business, financial condition or results of operations, or cause reputational harm to it. Also, material changes in regulations applicable to the Nomura Group or to the markets in which the Nomura Group operates could adversely affect its business.

The Nomura Group faces significant legal risks in its businesses. These risks include liability under securities or other laws in connection with securities underwriting and offering transactions, liability arising from the purchase or sale of any securities or other financial products, disputes over the terms and conditions of complex trading arrangements or the validity of contracts for the Nomura Group's transactions, disputes with its business alliance partners and legal claims concerning its other businesses.

Legal liability may occur due to events such as market downturn and could adversely affect the Nomura Group's business, financial condition and results of operations

During a prolonged market downturn or upon the occurrence of an event that adversely affects the market, the Nomura Group would expect claims against it to increase. The Nomura Group may also face significant litigation. The cost of defending such litigation may be substantial and the Nomura Group's involvement in litigation may damage its reputation. For example, during the fiscal year ended March 2022, approximately ¥62.0 billion related to legacy transactions in the U.S. from before the global financial crisis (2007 – 2008) was recognised including legal expenses as well as certain transactions intended to mitigate future losses. In addition, even legal transactions might be subject to adverse public reaction according to the particular details of such transactions. These risks may be difficult to assess or quantify and their existence and magnitude may remain unknown for substantial periods of time.

Extensive regulation of the Nomura Group's businesses limits its activities and may subject the Nomura Group to significant penalties and losses

The financial services industry is subject to extensive regulation. The Nomura Group is subject to increasing regulation by governmental and self-regulatory organisations in Japan and in virtually all other jurisdictions in which it operates, and such governmental and regulatory scrutiny may increase as its operations expand or as laws change. In addition, while regulatory complexities increase, possibilities of extra-territorial application of a regulation in one jurisdiction to business activities outside of such jurisdiction may also increase. These regulations are broadly designed to ensure the stability of financial systems and the integrity of the financial markets and financial institutions, and to protect clients and other third parties who deal with the Nomura Group, and often limit its activities and/or affect its profitability, through net capital, client protection and market conduct requirements. In addition, on top of traditional finance-related legislation, the scope of laws and regulations applying to, and/or impacting on, the Nomura Group's operations may become wider depending on the situation of the wider international political and economic environment or policy approaches taken by governmental authorities in respect of regulatory application or law enforcement. In particular, the number of investigations and proceedings against the financial services industry by governmental and self-regulatory organisations has increased substantially and the consequences of such investigations and proceedings have become more severe in recent years, and the Nomura Group is subject to face the risk of

such investigations and proceedings. For example, the U.S. Department of Justice (the **DOJ**) conducted an investigation regarding residential mortgage-backed securities securitised by some of the Nomura Group's U.S. subsidiaries prior to 2009. On 15 October 2018, the U.S. subsidiaries settled the investigation with the DOJ and agreed to pay USD 480 million. The Nomura Group may not always be able to prevent such violations, and it could be fined, prohibited from engaging in some of its business activities, ordered to improve its internal governance procedures or be subject to revocation of its license to conduct business. The Nomura Group's reputation could also suffer from the adverse publicity that any administrative or judicial sanction against it may create, which may negatively affect the Nomura Group's business opportunities and ability to secure human resources. As a result of any such sanction, the Nomura Group may lose business opportunities for a period of time, even after the sanction is lifted, if and to the extent that its clients, especially public institutions, decide not to engage it for their financial transactions. In addition, certain market participants may refrain from investing in or entering into transactions with the Nomura Group if the Nomura Group engages in business activities in regions subject to international sanctions, even if the Nomura Group's activities do not constitute violations of sanctions laws and regulations.

Tightening of regulations applicable to the financial system and financial industry could adversely affect the Nomura Group's business, financial condition and results of operations

If regulations that apply to the Nomura Group's businesses are introduced, modified or removed, the Nomura Group could be adversely affected directly or through resulting changes in market conditions. The impact of such developments could make it economically unreasonable for the Nomura Group to continue to conduct all or certain of its businesses, or could cause it to incur significant costs to adjust to such changes.

New regulations or revisions to existing regulations relating to accounting standards, regulatory capital adequacy ratios, liquidity ratios and leverage ratios applicable to the Nomura Group could also have a material adverse effect on its business, financial condition and results of operations. Such new regulations or revisions to existing regulations include the so-called Basel III package formulated by the Basel Committee on Banking Supervision (the **Basel Committee**) and the finalised Basel III reforms published in December 2017. Furthermore, in October 2012, the Basel Committee developed and published a set of principles on the assessment methodology and higher loss absorbency requirements for domestic systemically important banks (**D-SIBs**), and, in December 2015, the Japanese FSA identified the Nomura Group as a D-SIB and imposed a surcharge of 0.5 per cent. on its required capital ratio after March 2016 with a 3-year transitional arrangement. In addition, the Financial Stability Board published the final standard requiring global systemically important banks (**G-SIBs**) to maintain a certain level of total loss-absorbing capacity (**TLAC**) upon their failure in November 2015. Under the Japanese FSA's policy implementing the TLAC framework in Japan as updated in April 2018, the TLAC requirements in Japan apply not only to Japanese G-SIBs but also to Japanese D-SIBs that are deemed (i) of particular need for a cross-border resolution arrangement and (ii) of particular systemic significance to the Japanese financial system if they fail. Based on the revised policy, in March 2019, the Japanese FSA published the notices and guidelines of TLAC regulations in Japan. According to these notices and guidelines, the Nomura Group is subject to the TLAC requirements in Japan from 31 March 2021 although the Nomura Group is not identified as a G-SIB as of the date of publication on NHI's Form 20-F. These changes in regulations may increase the Nomura Group's funding costs or require it to liquidate financial instruments and other assets, raise additional capital or otherwise restrict its business activities in a manner that could adversely affect its operating or financing activities or the interests of its shareholders.

Deferred tax assets may be impacted due to a change in business condition or in laws and regulations, resulting in an adverse effect on the Nomura Group's operating results and financial condition

The Nomura Group recognises deferred tax assets in its consolidated balance sheets as a possible benefit of tax relief in the future. If the Nomura Group experiences or forecasts future operating losses, if tax laws or enacted tax rates in the relevant tax jurisdictions in which it operates change, or if there is a change in accounting standards in the future, it may reduce the deferred tax assets recognised in its consolidated balance sheets. As a result, it could adversely affect the Nomura Group's financial condition and results of operations.

Defects in the Nomura Group's anti-money laundering and counter-terrorism financing measures could have serious consequences such as, administrative penalties or punitive fines

In recent years, financial crimes have become more sophisticated, complex, and diverse. As the world faces growing threats of war, terrorism, and cyberattacks, it is highly important to counter the financing of crimes and terrorism. Financial institutions around the world are expected to take strong measures to combat money laundering and terrorist financing. Despite Nomura Group's efforts to improve its anti-money laundering and counter-terrorism financing measures, which it has implemented consistently across Nomura Group in accordance with the Recommendations provided by the Financial Action Task Force and the Japanese FSA's "Guidelines on Anti-Money Laundering and Terrorist Financing", there remains a risk that such measures will not be fully effective in preventing or detecting all violations in a timely manner. As a consequence, Nomura Group could be subject to administrative penalties or punitive fines.

Unauthorised disclosure or misuse of personal information held by the Nomura Group may adversely affect its business

The Nomura Group keeps and manages personal information obtained from clients in connection with its business. In recent years, there have been many reported cases of personal information and records in the possession of corporations and institutions being improperly accessed, disclosed or misused.

Although the Nomura Group exercises care to protect the confidentiality of personal information and have in place policies and procedures designed to safeguard such information and ensure that it is used in compliance with applicable laws, rules and regulations, were any unauthorised disclosure or misuse of personal information to occur, its business could be adversely affected. For example, the Nomura Group could be subject to government actions such as administrative actions or penalties in case there is any violation of applicable personal data protection laws, rules and regulations or be subject to complaints and lawsuits for damages from clients if they are adversely affected due to the unauthorised disclosure or misuse of their personal information (including leakage of such information by an external service provider). In addition, the Nomura Group could incur additional expenses associated with changing its security systems, either voluntarily or in response to administrative guidance or other regulatory initiatives. Moreover, restrictions on the Nomura Group's ability to use personal information collected from clients may adversely affect its existing businesses or to develop new ones. Furthermore, any damage to the Nomura Group's reputation caused by such unauthorised disclosure or misuse could lead to a decline in new clients and/or a loss of existing clients, as well as to increased costs and expenses incurred for public relations campaigns designed to prevent or mitigate damage to its corporate or brand image or reputation.

System failure, the information leakage and the cost of maintaining sufficient cybersecurity could adversely affect the Nomura Group's business, financial condition and results of operations

The Nomura Group's businesses rely on secure processing, storage, transmission and reception of personal, confidential and proprietary information on its systems. The Nomura Group has been in the past and may again become the target of attempted unauthorised access, computer viruses or malware, and other cyber-attacks designed to access and obtain information on its systems or to disrupt and cause other damage to its services. For example, in June 2018, one of the Nomura Group's foreign subsidiaries experienced a spear phishing incident that resulted in the unauthorised access to the firm's desktop network, requiring the Nomura Group to immediately launch an internal investigation to assess and remediate the incident, notify the appropriate authorities of its occurrence and communicate with clients and other individuals whose data may have been impacted. In response to the COVID-19 pandemic, many of the Nomura Group's employees now work remotely using networking or other technologies, and these technologies have become even more critical to its business. The implementation of remote work arrangements may also increase the possibility that the Nomura Group will be subject to cyber-attacks and other information security breaches. Although these threats may originate from human error or technological failure, they may also originate from the malice or fraud of internal parties, such as employees, or third parties, including foreign non-state actors and extremist parties. Additionally, the Nomura Group could also be adversely impacted if any of the third-party vendors, exchanges, clearing houses or other financial institutions to whom the Nomura Group is interconnected are subject to cyber-attacks or other informational security breaches. Such events could cause interruptions to the Nomura Group's systems, reputational damage, client dissatisfaction, legal liability, enforcement actions or additional costs, any and all of which could adversely affect its financial condition and operations.

While the Nomura Group continues to devote significant resources to monitor and update its systems and implement information security measures to protect its systems, there can be no assurance that any controls and procedures the Nomura Group has in place will be sufficient to protect it from future security breaches. As cyber threats are continually evolving, the Nomura Group's controls and procedures may become inadequate and it may be required to devote additional resources to modify or enhance its systems in the future.

The business of the Nomura Group may be adversely affected if it is unable to hire, retain and develop qualified personnel

The Nomura Group believes that its people are its greatest asset and it implements various talent management initiatives in a comprehensive manner. Any failure to hire, retain, and develop qualified personnel may materially and adversely affect Nomura Group's business, financial condition and results of operations. There is significant competition for such personnel, based on factors such as compensation, the working environment, training and benefits available to employees and its reputation as an employer. Spending on Nomura Group's human resource initiatives may harm its profitability. Moreover, developing the human resources and instilling in them a uniform corporate culture is a continuous, intensive process, and Nomura Group may not be successful in doing so.

Natural disaster, terrorism, military dispute and infectious disease could adversely affect the Nomura Group's business

The Nomura Group has developed a contingency plan for addressing unexpected situations and conduct crisis management exercises which include employee notification tests. The Nomura Group also continues to ensure it can maintain operational resilience (which refers to the ability to continue to provide critical services at a minimum level that should be maintained in the event of a system failure, cyberattacks or natural disaster). This includes the establishment of an emergency command center in the event of an actual disaster to account for the safety of its employees and their families. However, disaster, terrorism, military disputes or widespread infectious diseases afflicting the Nomura Group's business, management and employees could exceed the assumptions of its plan and its framework, and the Nomura Group may not always be able to respond to every situation, afflicting its management and employees, facilities and systems, which could adversely affect its business. In addition, there is a possibility that unknown infectious diseases other than COVID-19 pandemic may hinder the operational duties of its management and employees.

NHI is a holding company and depends on payments from its subsidiaries

NHI is a holding company and heavily depends on dividends, distributions and other payments from its subsidiaries to make payments on NHI's obligations. Regulatory and other legal restrictions, such as those under the Companies Act of Japan (the **Companies Act**), may limit NHI's ability to transfer funds freely, either to or from NHI's subsidiaries. In particular, many of NHI's subsidiaries, including NHI's broker-dealer subsidiaries, are subject to laws and regulations, including regulatory capital requirements, that authorise regulatory bodies to block or reduce the flow of funds to the parent holding company, or that prohibit such transfers altogether in certain circumstances. For example, NSC, Nomura Securities International, Inc., Nomura International plc and NIHK, the Nomura Group's main broker-dealer subsidiaries, are subject to regulatory capital requirements and changes in such regulatory capital requirements and the required level could limit the transfer of funds to NHI. While NHI monitors and manages the transfer of funds among Nomura Group on the basis of the relevant laws and regulations on a daily basis, these laws and regulations may hinder NHI's ability to access funds needed to make payments on NHI's obligations.

The Nomura Group may not be able to realise gains it expects, and may even suffer losses, on its investments in equity securities and non-trading debt securities

The Nomura Group holds substantial investments in equity securities including private equity investments and non-trading debt securities. Under U.S. GAAP, depending on market conditions, the Nomura Group may recognise significant unrealised gains or losses on its investments in equity securities and debt securities, which could have an adverse impact on its financial condition and results of operations. For example, in the fiscal year ended 31 March 2020, the Nomura Group recognised a loss of ¥ 16.4 billion related to its investment in American Century Investments and ¥ 16.6 billion on its investments in equity securities resulting from market declines arising from the COVID-19 pandemic. Moreover, while the Nomura Group may decide to dispose of

these equity securities and debt securities, depending on the market conditions, the Nomura Group may not be able to dispose of these equity securities and debt securities when it would like to do so, as quickly as it may wish or at the desired price.

Equity investments in affiliates and other investees accounted for under the equity method in the Nomura Group's consolidated financial statements may decline significantly over a period of time and result in it incurring impairment losses

The Nomura Group has affiliates and investees accounted for under the equity method in its consolidated financial statements and whose shares are publicly traded. If there is a decline in the market price of the shares the Nomura Group holds in such affiliates over a period of time, and it determines that the decline is other-than-temporary, then it recognises an impairment loss for the applicable fiscal period which may have an adverse effect on its financial condition and results of operations. For example, the Nomura Group recognised an impairment loss of ¥47,661 million against its investment in Nomura Real Estate Holdings, Inc. during the year ended 31 March 2021.

The Nomura Group may face an outflow of clients' assets due to losses of cash reserve funds or debt securities it offers

Cash reserve funds, such as money market funds and money reserve funds are categorised as low risk financial products. As a result of a sudden rise in interest rates, such cash reserve funds may fall below par value due to losses resulting from price decreases of debt securities in the portfolio, defaults of debt securities in the portfolio or charges of negative interest. If the Nomura Group determines that a stable return cannot be achieved from the investment performance of cash reserve funds, the Nomura Group may accelerate the redemption of, or impose a deposit limit on, such cash reserve funds. In addition, debt securities that the Nomura Group offers may default or experience delays in the payment of interest and/or principal. These events above may result in the loss of client confidence and lead to an outflow of client assets from its custody or preclude it from increasing such client assets.

Risk Factors relating to the Securities

5. Risks relating to key features, terms and conditions of the Securities affecting the value and liquidity of and return on the Securities

Securities are Unsecured Obligations

The Securities are direct, unconditional, unsubordinated and (subject, in the case of N&C Securities only, to the provisions of the applicable negative pledge provisions) unsecured obligations of the Issuer and rank *pari passu* and without prejudice among themselves and (subject as aforesaid and save for such exceptions as may be provided by applicable legislation) at least equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding. The ability of Securityholders to value, sell and recover their investment in the Securities is therefore subject to the creditworthiness of the Issuer.

In the case of Guaranteed Securities, the Issuer's payment and/or delivery obligations will be unconditionally and irrevocably guaranteed by the NHI Guarantor or the NSC Guarantor (in each case, only where such entity is specified as the applicable Guarantor) in each case under the relevant Guarantee. The obligations of the relevant Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject, in the case of N&C Securities only, to the applicable negative pledge provisions) unsecured obligations of such Guarantor and shall (subject as aforesaid and save for obligations in respect of national and local taxes and certain other statutory exceptions) at all times rank at least equally with all other present and future unsecured and unsubordinated debt of such Guarantor. The ability of Securityholders to value, sell and recover their investment in the Guaranteed Securities is therefore subject to the creditworthiness of the Guarantor.

Market Disruption Event and Disrupted Day

If an issue of Securities includes provisions dealing with the occurrence of a market disruption event or a failure to open of an exchange or related exchange on a Valuation Date, an Averaging Date or a Pricing Date and the Calculation Agent determines that a market disruption event or such failure has occurred or exists on a Valuation Date, an Averaging Date or a Pricing Date, any consequential postponement of the Valuation Date,

Averaging Date or a Pricing Date or any alternative provisions for valuation provided in any Securities may have an adverse effect on the value of such Securities.

Settlement Disruption Event and Failure to Deliver due to Illiquidity

In the case of Physical Delivery Securities (other than Credit Linked Securities), if a Settlement Disruption Event occurs or exists on the Maturity Delivery Date (in the case of N&C Securities) or Settlement Date (in the case of W&C Securities), settlement will be postponed until the next date on which no Settlement Disruption Event occurs. The Issuer in these circumstances also has the right to pay the Disruption Cash Redemption Price in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Securities. In addition if "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms, and in the opinion of the Calculation Agent it is impossible or impracticable to deliver some or all of the Relevant Assets comprising the Entitlement when due as a result of illiquidity in the market for the Relevant Assets, the Issuer has the right to pay the Failure to Deliver Settlement Price in lieu of delivering those Relevant Assets.

In the case of Physical Delivery Securities which are Credit Linked Securities, if all or some of the Deliverable Obligations included in the Entitlement are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, on or before the final delivery date (being the 30th Business Day following the Credit Settlement Date or such earlier date as determined by the Calculation Agent by reference to any relevant date of settlement in respect of the Hedging Arrangements (if any)), failing which the Issuer shall give notice to the Securityholders and shall pay in respect of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

Adjustments and Early Redemption or Cancellation

The Calculation Agent may be entitled to make adjustments to the Conditions of the Securities following the occurrence of certain events, as described in the Conditions and/or, in the case of Exempt Securities only, the applicable Final Terms. Such adjustment may have an adverse impact on the value of the Securities. Any such discretion exercised by, or any calculation made by the Calculation Agent (in the absence of manifest error) shall be binding.

The Issuer may also be entitled to early redeem or cancel the Securities before the scheduled maturity or settlement. It is possible that the Issuer may redeem or cancel the Securities at a time which causes the Securityholder to suffer a loss. The Issuer may be entitled to redeem or cancel the Securities early for reasons related to the Issuer's hedging positions relating to the Securities or on account of certain tax-related, regulatory or other events. In addition, the Final Terms or applicable Annex to the Conditions may provide that the Issuer may redeem the Securities early if certain specified events occur (for example if the closing values of the Reference Item during the term of the Securities is below, at or above a certain level) (all as specified in the Final Terms or applicable Annex to the Conditions). In any such case, the investor may obtain a lower return on the Securities than it would have had the Securities not been early redeemed or cancelled, and such return could be as low as zero.

Expenses

Securityholders of Physical Delivery Securities must pay all Expenses (in the case of Physical Delivery N&C Securities) or Exercise Expenses (in the case of Physical Delivery W&C Securities) relating to such Physical Delivery Securities. As used in the Terms and Conditions, "**Expenses**" includes all taxes, duties and/or expenses including any depositary charges, transaction charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties (together with any interest, additions to tax or penalties applicable thereto and any interest in respect of such additions or penalties) which may be or would be, or would have been incurred (i) in connection with the redemption of the N&C Securities and or the delivery or transfer of any Entitlement in respect thereof, and (ii) by the Issuer or any Affiliate had such entity unwound or varied any underlying related hedging arrangements in respect of the N&C Securities; and "**Exercise Expenses**" includes all taxes, duties and/or expenses including any depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and or other taxes and duties (together with any interest, additions to tax or penalties applicable thereto and any interest in

respect of such additions or penalties) which may be or would be, or would have been incurred (i) in connection with the exercise of the W&C Securities and/or any payment and/or delivery or transfer of the Entitlement in respect thereof, and (ii) by the Issuer or any Affiliate had such entity unwound or varied any underlying hedging arrangements in respect of the W&C Securities.

No claim against any Reference Item

A Security is not equivalent to a direct investment in the Reference Item or any component thereof and will not represent a claim against any Reference Item or any such component and, in the event of any loss, a Securityholder will not have recourse under a Security to any Reference Item.

Illegality of Securities

If the Issuer determines that the performance of either its obligations under the Securities or, in the case of Guaranteed Securities, the obligations of the Guarantors under the Guarantee has or may become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, Sanctions, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer may, if and to the extent permitted by applicable law (including, without limitation, any Sanctions) either (i) make such adjustment to the Conditions to address the relevant event or circumstance as may be permitted by any applicable provisions in the Conditions, or (ii) redeem or cancel the Securities, as applicable.

If, in the case of Illegality and to the extent permitted by applicable law, the Issuer redeems or cancels the Securities, then the Issuer will, in the case of N&C Securities, redeem each N&C Security at the Early Redemption Amount or, in the case of W&C Securities, cancel each W&C Security at the Early Cancellation Amount. On any such early redemption or cancellation of the Securities, the amounts payable to a Securityholder may be significantly less than the amounts a Securityholder might otherwise have been entitled to receive had such early redemption or cancellation not occurred and may be zero.

Issuer Call in respect of the Securities

If the Final Terms specifies that Issuer Call is applicable, the Securities will be redeemable at the option of the Issuer, subject to the occurrence of any events specified in the relevant Final Terms and/or Annex to the Terms and Conditions. Following the exercise by the Issuer of the Issuer Call, the investor may no longer be able to realise a gain in the value of such Securities and, if applicable, will no longer participate in the performance of the relevant Reference Item(s).

N&C Securities subject to optional redemption by the Issuer

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

The Issuer may be expected to redeem N&C Securities when its cost of borrowing is lower than the interest rate on the N&C Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the N&C Securities 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.

Settlement Risk

Unless specified otherwise in the applicable Final Terms, the Issuer has an option to vary settlement in respect of the Securities. If exercised by the Issuer, this option will lead to Physical Delivery Securities being cash settled or Cash Settled Securities being physically settled. Exercise of such option may adversely affect the value of the Securities. Please refer to the "*Investment Considerations*" section for an overview of the requirements relating to physical delivery.

Eurosystem Eligibility

There may be an intention (which, if applicable, will be specified in the applicable Final Terms) for certain N&C Securities to be held in a manner which will allow Eurosystem eligibility. This simply means that such

N&C Securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the N&C Securities 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 satisfaction of the Eurosystem eligibility criteria. None of the Issuer, any Dealer or any agent makes any representation or warrants as to the eligibility of any Security for the Eurosystem.

Investors who hold less than the minimum Specified Denomination may be unable to sell their N&C Securities and may be adversely affected if definitive N&C Securities are subsequently required to be issued

In relation to any issue of Bearer N&C Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such N&C Securities may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a Securityholder who, as a result of such trading, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of N&C Securities at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not be able to transfer such amount of the N&C Security or may not receive a definitive Bearer N&C Security in respect of such holding (should definitive Bearer N&C Securities be printed) and would need to purchase a principal amount of N&C Securities at or in excess of the minimum Specified Denomination such that its holding amounts to the minimum Specified Denomination.

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

Payout on Short Price Payout N&C Securities

In the case of Short Price Payout N&C Securities, the positive performance of any Reference Item (resulting in a rise in its level or price) may have an adverse effect on the value of and return on the Securities. The return on the Securities may also be subject to deduction of any costs to the Issuer and/or any of its affiliates or nominees of funding any payment required to be made by the Issuer and/or any of its affiliates or nominees. Investors may therefore suffer substantial losses up to and including a total loss of the purchase price paid.

Partly-paid N&C Securities

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

Meetings of Securityholders

The relevant Conditions contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Securityholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Securityholders who voted in a manner contrary to the majority. If a decision is adopted by a defined majority of Securityholders and such decision impairs or limits the rights of the Securityholders, this may negatively affect the market value of the Securities.

The conditions of the Securities or the terms of the Guarantee may be modified by the operation of UK insolvency law without the consent of Securityholders

Where the Issuer or the applicable Guarantor encounters, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, it may propose a Restructuring Plan (a **Plan**) with its creditors under Part 26A of the Companies Act 2006 (introduced by the Corporate Insolvency and Governance Act 2020) to eliminate, reduce, prevent or mitigate the effect of any of those financial difficulties. Should this happen, creditors whose rights are affected are organised into creditor

classes and can vote on any such Plan (subject to being excluded from the vote by the English courts for having no genuine economic interest in the Issuer or the applicable Guarantor). Providing that one class of creditors (who would receive a payment, or have a genuine economic interest in the Issuer or the applicable Guarantor) has approved the Plan, and in the view of the English courts any dissenting class(es) who did not approve the Plan are no worse off under the Plan than they would be in the event of the "relevant alternative" (such as, broadly, liquidation or administration), then the English court can sanction the Plan where it would be a proper exercise of its discretion. A sanctioned Plan is binding on all creditors and members, regardless of whether they approved it. Any such sanctioned Plan in relation to the Issuer or the applicable Guarantor may, therefore, adversely affect the rights of Securityholders and the price or value of their investment in the Securities, as it may have the effect of modifying or disapplying certain terms of the Securities (by, for example, writing down the principal amount of the Securities, modifying the interest payable on the Securities, the maturity date or dates on which any payments are due or substituting the Issuer) or modifying or disapplying certain terms of the Guarantee or substituting the Guarantor.

Certain Factors Affecting the Value and Trading Price of W&C Securities

Either (1) the Cash Settlement Amount (in the case of Cash Settled W&C Securities) or (2) the value of the Entitlement less (in the case of Warrants) the Exercise Price (the **Physical Settlement Value**) (in the case of Physical Delivery W&C Securities) at any time prior to expiration or exercise, as applicable, is typically expected to be less than the trading price of such W&C Securities 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 Securities. The "time value" of the W&C Securities will depend partly upon the length of the period remaining to expiration or exercise, as applicable, and expectations concerning the price or level of the Reference Item(s). W&C Securities offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the W&C Securities varies with the price or level of the Reference Item(s), as well as by a number of other interrelated factors, including those specified herein.

Before exercising W&C Securities, Securityholders should carefully consider, among other things, (i) the trading price of the W&C Securities, (ii) the price or level and volatility of the Reference Item(s), (iii) the time remaining to expiration or exercise, as applicable, (iv) in the case of Cash Settled W&C Securities, 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 feature in W&C Securities is likely to limit their market value. In the case of an optional exercise feature, during any period when the Issuer may elect to exercise W&C Securities, the market value of those W&C Securities generally will not rise substantially above the price at which they can be exercised. This also may be true prior to any exercise period. Potential investors should be aware that in certain circumstances, an optional exercise of the W&C Securities by the Issuer may result in a loss of all or a substantial portion of their investment.

Time Lag after Exercise

In the case of any exercise of American Style Warrants and Bermudan Style Warrants, there will be a time lag between the time a Securityholder 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 Securities. 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, the occurrence of a market disruption event or failure to open of an exchange or related exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of FX Linked W&C Securities. The applicable Cash Settlement Amount may change significantly during any such period, 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.

Minimum Exercise Amount

If so indicated in the applicable Final Terms, a Securityholder must tender or hold a specified number of W&C Securities at any one time in order to exercise. Thus, Securityholders with fewer than the specified minimum number of W&C Securities will either have to sell their W&C Securities or purchase additional W&C Securities, incurring transaction costs in each case, in order to realise their investment. Furthermore, Securityholders of such W&C Securities incur the risk that there may be differences between the trading price of such W&C Securities and the Cash Settlement Amount (in the case of Cash Settled W&C Securities) or the Physical Settlement Value (in the case of Physical Delivery W&C Securities) of such W&C Securities.

Limitations on Exercise

In the case of American Style Warrants and Bermudan Style Warrants, if so indicated in the applicable Final Terms, the Issuer will have the option to limit the number of 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 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 Warrants being exercised on any date (other than the Expiration Date) exceeds such maximum number and the Issuer elects to limit the number of Warrants exercisable on such date, a Securityholder may not be able to exercise on such date all Warrants that such holder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected at the discretion of the Issuer or (in the case of Exempt W&C Securities only) in any other manner specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms (in the case of Exempt W&C Securities only), the Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which such Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

6. Risks relating to conflicts of interest of the Issuer, the Nomura Group and the Calculation Agent and certain discretionary powers of the Issuer and the Calculation Agent

Hedging and other Potential Conflicts of Interest

The Issuer, the Guarantors and/or any of their respective Affiliates or agents may engage in activities or arrangements 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 Securityholders on the other hand. For example, they may:

- engage in trading activities (including hedging activities) related to the Reference Item(s) underlying any Securities and other instruments or derivative products based on or related to the Reference Item(s) underlying any Security for their proprietary accounts or for other accounts under their management.
- issue other derivative instruments in respect of the Reference Item(s) underlying Securities.
- act as underwriter in connection with future offerings of shares or other securities related to an issue of Securities
- act as financial adviser to certain companies, companies whose shares are included in a basket of shares, a company which is a reference entity, or in a commercial banking capacity for any such companies;
- at any time purchase Securities 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; and
- enter into arrangements with Affiliates or agents to hedge market risks associated with its obligations under the Securities, whereby any such Affiliate or agent would expect to make a profit in connection with such arrangements and the Issuer might not seek competitive bids for such arrangements from unaffiliated parties.

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 Securities.

Where the Securities are offered through a distributor(s) or via an introducing broker, such distributor(s) or introducing broker may act pursuant to a mandate granted by the Issuer or Dealer and may receive fees on the basis of the services performed and the outcome of the placement of the Securities. In this case, potential conflicts of interest could arise.

In the case of Exempt Securities only, additional risk factors relating to additional conflicts of interest with respect to such Securities may be specified in the applicable Final Terms.

In addition, unless otherwise specified in the applicable Final Terms (in the case of Exempt Securities), the Calculation Agent is an Affiliate of the Issuer and the Guarantors and in such capacity may make certain determinations and calculate amounts payable or deliverable to Securityholders. Under certain circumstances, the Calculation Agent as an Affiliate of the Issuer or the Guarantors and its responsibilities as Calculation Agent for the Securities could give rise to potential conflicts of interest between the Calculation Agent and the Securityholders. In performing its services in relation to the Securities, the Calculation Agent may in certain circumstances have a wide discretion and does not, in any case, act on behalf of, or accept any duty of care or fiduciary duty to any Securityholder or, except as required by law, any other person. Subject to regulatory obligations, the Calculation Agent will pursue actions and take steps that it deems necessary or appropriate in accordance with the Terms and Conditions of the Securities without regard to the consequences for Securityholders. The Calculation Agent may at any time be in possession of information in relation to the Securities which may not be available to Securityholders. There is no obligation on the Calculation Agent to disclose such information to Securityholders.

Modification and Waivers

The relevant Conditions provide that the relevant Agent and the Issuer may, without the consent of Securityholders, agree to (i) any modification (subject to certain specific exceptions) of the Securities or the Agency Agreement which is not, in the sole opinion of the Issuer, materially prejudicial to the interests of the Securityholders or (ii) any modification of the Securities 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 law. The Conditions also provide that, subject to all applicable laws and regulations, the Calculation Agent shall be free to modify the methodology described in the Conditions from time to time as it deems appropriate in response to any market, regulatory, juridical, fiscal or other circumstances which may arise which, in the opinion of the Calculation Agent, necessitates a modification or change of such methodology, or for the purposes of (i) curing any ambiguity or correcting or supplementing any provision of the Conditions, (ii) accounting for any change in the basis on which any relevant values, levels or information is calculated or provided which would materially change the commercial effect of any provision or provisions of the Conditions or (iii) replacing any information provider or source. Such modifications may adversely affect the value of the Securities.

Sanctions risk

Unless "Sanctions Event" is specified as not applicable in the applicable Final Terms then, notwithstanding any other provision of the Conditions, if at any time the Issuer determines that a Non-Permitted Holder holds or may hold any legal or beneficial interest in a Security, the Issuer may, from the date of such determination, suspend deliveries and payments in respect of the relevant Series of N&C Securities in accordance with the relevant Condition. The scope of a Sanctions Event is broad and Securityholders may be adversely affected by the Issuer's exercise of related rights and discretions even if they are not themselves subject to Sanctions. The suspension may last indefinitely, and may after a period of two years or if earlier, the scheduled maturity of the Securities, result in the Issuer having no further obligations under the Securities held by the Non-Permitted Holder and any rights or claims of the Non-Permitted Holder in respect of such Securities being extinguished, without further recourse to the Issuer.

In respect of Permitted Holders only, the Issuer shall use reasonable efforts to, for as long as the relevant Sanctions Event is continuing, put alternative arrangements in place for the benefit of the Permitted Holders which, in the sole determination of the Issuer enable the Issuer to make or procure payment or delivery of related suspended amounts or entitlements lawfully and in a reasonably practicable manner. Such alternative arrangements may include arrangements agreed between the Issuer and the relevant clearing system (which may include removal of the N&C Securities from the relevant clearing system), and adjustments to any relevant

terms of the N&C Securities, including to any relevant payment or delivery provisions. If the Issuer does put in place such alternative arrangements, it is not required to consult or obtain the consent of Securityholders in respect of such alternative arrangements, which may have a significant adverse effect on the value of the relevant N&C Securities.

Furthermore, and except as provided in the relevant Conditions, Securityholders shall not be entitled to any interest or any other payment on account of any suspension or delay which may occur in respect of the payment of any amounts due and payable or the delivery of any deliverable entitlements, as applicable, in respect of the N&C Securities (in each case, but for the occurrence of a Sanctions Event).

Payment suspension

Unless "Payment Suspension" is specified as not applicable in the applicable Final Terms, then the Issuer's obligation to make any payment is subject to (i) any laws, regulations, rules and directives including, without limitation, Sanctions, that may apply to the Issuer or might have applied to any Affiliate of the Issuer had such Affiliate been the issuer of the N&C Securities and (ii) such payment being possible and reasonably practicable in the Specified Currency or Settlement Currency (as applicable) to (and accepted by) the relevant Securityholder. If the foregoing conditions are not satisfied with respect to any payment, the Issuer's obligations to make such payment shall be suspended.

The suspension may last indefinitely. Furthermore, and except as provided in the relevant Conditions, Securityholders shall not be entitled to any interest or any other payment on account of any suspension or delay which may occur in respect of the payment of any amounts due and payable in respect of the N&C Securities.

7. Risks relating to Securities linked to or that reference a financial benchmark

National and international initiatives relating to the reform of the regulation of indices and other forms of financial benchmarks may impact the value of the Securities and may force the Issuer to cease using a particular benchmark as the underlying reference basis for the Securities which may result in adjustments to the terms of the Securities, a replacement of a benchmark or termination of the Securities

Published levels or figures used as benchmarks have come under increasing regulatory scrutiny in recent years, and are now the subject of a number of national and international regulatory initiatives and investigations. Such levels include high profile market rates, (e.g. LIBOR and the Euro Interbank Offered Rate (**EURIBOR**)) but also many other rates, levels, indices and strategies that are determined to be used as benchmarks (including many interest rate, equity, commodity, foreign exchange and other types of indices). Some of these regulatory initiatives are already effective whilst others are still to be implemented. Such regulatory initiatives could include, among other things, reforms to other "benchmarks" similar to those reforms announced in relation to LIBOR. As described in more detail below, such regulatory initiatives may cause affected "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value or liquidity of, and return on, any Securities which reference a benchmark.

Please refer to the "Investment Considerations" section for an overview of key international regulatory initiatives relating to the reform of benchmarks, including Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directive 2008/48/EC and Regulation (EU) No 596/2014 (the **Benchmarks Regulation**). The Benchmarks Regulation could have a material impact on any Securities traded on a trading venue or via a "systematic internaliser" that are linked to a benchmark, or hedging arrangements for any Securities, including in any of the following circumstances:

- subject to any applicable transitional provisions, an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator, or the benchmark is not entered in or is removed from ESMA's register of Benchmarks Regulation approved benchmarks (i.e. in circumstances where (i) an EU-based administrator does not obtain or retain authorisation or registration or (ii) a non-EU-based administrator does not obtain or retain recognition or endorsement or benefit from equivalence (whether as an administrator or in respect of the relevant benchmark), in each case under the Benchmarks Regulation); or

- the methodology or other terms of the benchmark could be changed in order to comply with the terms of the Benchmarks Regulation.

In addition, whether or not a benchmark is directly affected by the Benchmarks Regulation, modifications or cancellations of any benchmark may occur and this may have an adverse effect on Securities referencing or deriving their value from such benchmarks.

Any of the above changes or any other consequential changes to any benchmark, including as a result of international, national or other reforms or investigations, or the general increased regulatory scrutiny of benchmarks may adversely affect Securities using an affected benchmark. Risks for investors of any change or other event in relation to a benchmark used for the purposes of Securities are that the relevant event may:

- lead to the Securities being de-listed, adjusted, redeemed early, subject to discretionary valuation by the Calculation Agent or otherwise impacted depending on the particular benchmark and the applicable terms of the Securities;
- lead to the disappearance of certain benchmarks (or certain currencies or tenors of benchmarks);
- affect the level of the published rate or the level of the benchmark, including causing it to be lower or more volatile than in the past;
- trigger changes in the rules or methodologies used in certain "benchmarks"; or
- have other adverse effects or unforeseen consequences.

On 5 March 2021, ICE Benchmark Administration Limited (**IBA**), the administrator of LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this occurred, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the **IBA announcement**). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the **FCA announcement**). Permanent cessation will occur immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30th June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of US Dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022.

For any Securities where the benchmark is any of GBP LIBOR, USD LIBOR, CHF LIBOR, JPY LIBOR or EUR LIBOR, the IBA Announcement and/or the FCA Announcement may constitute an Administrator/Benchmark Event or a Benchmark Transition Event, which in either case would entitle the Issuer and/or the Calculation Agent to make all determinations and/or adjustments and take all actions in respect of the Securities as are provided for in connection with an Administrator/Benchmark Event or a Benchmark Transition Event, as applicable, irrespective of the fact that such announcements have occurred prior to the Issue Date. Whilst fallback provisions in respect of such Securities have been triggered prior to the Issue Date, the effective date and consequences of such fallbacks as applied by the Issuer and/or the Calculation Agent may not take effect until significantly after the date of such announcements (please also see "*Benchmark Transition Event*" and "*Administrator/Benchmark Event*" below).

Further risks for investors in relation to changes in benchmarks and the use of benchmarks in the Securities.

The Terms and Conditions contain a number of provisions allowing the Issuer or Calculation Agent to adjust or terminate Securities to take account of relevant events in relation to benchmarks or their sponsor or administrator. In particular under the Terms and Conditions, a Benchmark Transition Event (as described in the Terms and Conditions) may occur in relation to Floating Rate Securities linked to USD-LIBOR, GBP-LIBOR, EURIBOR, Euro-LIBOR, Secured Overnight Financing Rate (**SOFR**), Sterling Overnight Index

Average (**SONIA**), Euro short-term rate (**€STR**) or Swiss Average Rate Overnight (**SARON**) (each a **Relevant Interest Rate Benchmark**) or an Administrator/Benchmark Event (as described in the Terms and Conditions) may occur in relation to either a Relevant Interest Rate Benchmark or any other benchmark in a wide range of circumstances.

Benchmark Transition Event

In relation only to certain standard Floating Rate N&C Securities referred to as Vanilla Floating Rate N&C Securities and the related interest rate, a Benchmark Transition Event could occur if a Relevant Interest Rate Benchmark ceases to exist or be published or a relevant supervisor publicly announces it is no longer, or as of a specified future date will no longer be representative of the underlying market and economic reality it is intended to measure and representativeness will not be restored. Vanilla Floating Rate N&C Securities are in summary N&C Securities where interest is payable based on Screen Rate Determination and the Rate of Interest is determined solely by reference to the relevant interest rate without any adjustment other than for a fixed margin, a maximum or minimum Rate of Interest or being subject to a Credit Event contingency.

These fallback arrangements include the possibility that the rate of interest could be determined by reference to a replacement benchmark rate, and that a spread adjustment may be applied to such replacement benchmark rate, together with the making of certain conforming changes to the Terms and Conditions, in each case as determined by the Calculation Agent. Such replacement rate and spread adjustment determination may be based on available alternative rates, relevant governmental body recommendation or selection, practice in the derivatives market or industry-accepted practice and such conforming changes will be as determined by the Calculation Agent to reflect the adoption of the replacement rate. Any of these fallback provisions may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Floating Rate N&C Securities if the previous rate had continued being published in its current form. In addition, use of the fallback provisions may result in the effective application of a fixed rate of interest to the Floating Rate N&C Securities. It should be noted that in relation to any Floating Rate N&C Securities other than Vanilla Floating Rate N&C Securities and the related interest rate, the Benchmark Transition Event provisions will not apply, but in certain cases the Administrator/Benchmark Event provisions may apply. See "*Administrator/Benchmark Event*" below.

It is possible that a Benchmark Transition Event or details of it are announced significantly in advance of the relevant Benchmark replacement date. In this case the Calculation Agent may in its option determine that it is appropriate to delay providing a notice of such event to Securityholders, but this will not prevent the Calculation Agent applying consequences in the future in relation to the occurrence of the relevant Benchmark Transition Event.

Investors should also be aware that in the event a Relevant Interest Rate Benchmark is unavailable but a Benchmark Transition Event has not occurred, the Calculation Agent will have the discretion to determine an alternative rate by reference to a rate formally recommended by relevant governmental bodies or any rate implemented by central counterparties and/or futures exchanges or, if none, an alternative rate the Calculation Agent determines. The use of the fallback provisions may result in the effective application of a fixed rate of interest to the Floating Rate N&C Securities.

A replacement rate for an IBOR Relevant Interest Rate Benchmark (i.e. LIBOR or EURIBOR) following a Benchmark Transition Event may be the RFR identified as the replacement rate for the relevant currency e.g. SONIA for GBP, SOFR for USD, €STR for Euro and SARON for Swiss Francs. Whilst IBORs are forward-looking term rates that embed bank credit risk, the RFRs identified as of the date of this Base Prospectus are overnight rates and are intended to be nearly risk-free. As such, investors should be aware that SONIA, SOFR, €STR, SARON and other RFRs may behave materially differently as interest reference rates for N&C Securities issued under the Programme (please also see "*The market continues to develop in relation to RFRs as reference rates*" below).

The absence of bank credit risk in the RFRs may have an adverse effect on the value of the N&C Securities. The N&C Securities provide that any replacement RFR selected for legacy IBOR linked N&C Securities will be adjusted by a benchmark replacement adjustment percentage which may be positive, negative or zero. This is intended to reduce any transfer of economic value because of the absence of a bank credit risk premium in the replacement RFR. However, if such replacement adjustment is negative, it will mean a lower rate of interest

is payable. Even where such replacement adjustment is positive, there can be no assurance that the replacement adjustment will fully mitigate the transfer of economic value between the Issuer and Securityholder and the proposed replacement adjustments are not intended, or able, to replicate the dynamic bank credit risk premium embedded in an IBOR.

Forward looking RFRs are not generally available as of the date of this Base Prospectus but may be more fully developed in the future. However, there is no certainty that a forward looking RFR will be available in respect of any currency or any particular product. N&C Securities linked to an IBOR provide that coupon payments are calculated at the beginning of each interest period whereas N&C Securities linked to overnight RFRs provide that interest payments are calculated shortly before the relevant coupon payment date. Therefore, investors will have significantly less notice of the amounts due to be paid for a calculation period where the relevant interest rate is determined by reference to a RFR.

Administrator/Benchmark Event

An Administrator/Benchmark Event may occur with respect to a relevant benchmark (other than an interest rate to which Vanilla Floating Rate N&C Securities relate) on a modification or cessation of a benchmark, a loss of permission to use the relevant benchmark to perform obligations under the Securities under applicable law or regulation, it no longer being commercially reasonable to continue use of the relevant benchmark, the benchmark being superseded or no longer meeting relevant industry standards or certain licensing restrictions or changes occurring in relation to use of the relevant benchmark or a relevant supervisor officially announces the benchmark is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality it is intended to measure and representativeness will not be restored provided that certain hedging and market practice conditions are then met. In these circumstances the Issuer may in its discretion take a range of actions including:

- instructing the Calculation Agent to make adjustment to the Terms and Conditions of the Securities to account for the relevant event or circumstance including to take into account related costs.
- instructing the Calculation Agent to select and make adjustments to apply any spread adjustment (which may be positive, negative or zero) or otherwise to account for any increase in costs of such replacement benchmark or if no replacement benchmark is available or appropriate replace the exposure to the affected benchmark provided by the Securities with a fixed rate determined by the Calculation Agent in such a manner as to represent the fair market value of the Securities' exposure to the affected benchmark less related costs; or
- terminating the Securities and paying an early redemption or termination amount.

The consequences of the Issuer taking such action(s) where an Administrator/Benchmark Event occurs may be wide-ranging and may adversely affect the Securities.

Specific points to note include the following:

- The Issuer and Calculation Agent have a wide discretion as to making any adjustments and may, but do not have to, exercise such discretion by reference to hedging arrangements for the Securities. In particular the Issuer may determine whether to apply any consequences for an Administrator/Benchmark Event and, if it does decide to apply one or more consequence(s), may in its sole discretion determine which consequence(s) to select.
- It is possible that an Administrator/Benchmark Event or details of it are announced significantly in advance of action being appropriate in relation to the relevant Securities. In this case the Calculation Agent may in its option determine that it is appropriate to delay providing a notice of such event to Securityholders, but this will not prevent the Calculation Agent applying consequences in the future in relation to the occurrence of the relevant Administrator/Benchmark Event.
- There is no guarantee that, if applicable, any replacement benchmark will be determined.
- The use of any replacement benchmark and the adjustments that may be made to reflect the replacement may adversely affect the Securities and may represent a transfer of economic value from Securityholders to the Issuer.

- A replacement benchmark may be determined by reference to relevant replacements in the over-the-counter derivatives market or other relevant market(s) in which hedging arrangements are maintained or otherwise as the Calculation Agent determines to be appropriate for the relevant N&C Securities (a **Replacement Benchmark**). In relation to any affected benchmark that is an interest rate (including where such interest rate is a component of an IBOR Swap Rate, as to which see "*Risks relating to swap rates*" below), the Calculation Agent shall have regard to any benchmark formally recommended for use by the administrator of the affected benchmark or certain official bodies or working groups or committees, but will not be required to select any such replacement benchmark if this would not reflect hedging arrangements (if any) or otherwise not be commercially appropriate for any reason. As a result there may be a range of possible replacement benchmarks and any replacement selected by the Calculation Agent may perform less favourably than any other replacement which might have been selected.

An Administrator/Benchmark Event may apply to a benchmark (except an interest rate to which Vanilla Floating Rate N&C Securities relate) whether or not that benchmark or the Securities are directly affected by the Benchmarks Regulation. It should be noted that for purposes of the definition of Administrator Benchmark Event only the term Benchmarks Regulation means either the EU Benchmarks Regulation (Regulation (EU) 2016/1011) or such Regulation as it forms part of retained EU law as defined in the UK European Union (Withdrawal) Act 2018 (as that Act is amended from time to time). This is because Nomura group supervised entities in the EU may be adversely affected by the EU version of such regulation or Nomura group supervised entities in the UK may be adversely affected by the UK version of such regulation.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by benchmark reforms and investigations in making any investment decision with respect to any Securities that are linked to or reference a "benchmark". For Index Linked Securities or for Commodity Linked Securities for which the Reference Item is a Commodity Index, see also the further risks set out in "*Risks relating to Index Linked Securities*" and "*Risks relating to Commodity Linked Securities*" below.

Risks relating to swap rates

Following an Administrator/Benchmark Event in respect of a benchmark that is an IBOR-linked Reference Swap Rate (an **IBOR Swap Rate**), the Issuer may instruct the Calculation Agent to select a Replacement Benchmark. This is a risk in respect of, without limitation, Swap Rate Linked Interest N&C Securities, Reverse Convertible Swap Rate Redemption N&C Securities and Geared Put Swap Rate Redemption N&C Securities. Potential investors should be aware that more than one possible Replacement Benchmark may exist and if so it is possible the Calculation Agent may select the least favourable Replacement Benchmark. Moreover, the Calculation Agent will not be required to select any index, benchmark or other price source if this would not reflect the hedging arrangements (if any) maintained by the Issuer (and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations in respect of the Securities from time to time) in relation to the relevant benchmark or would otherwise not be commercially appropriate for any reason, all as determined by the Calculation Agent.

Additionally, progress towards identifying appropriate fallbacks to apply following the discontinuance or non-representativeness of IBOR Swap Rates has not occurred at the same rate across all currencies. For example, on 23 July 2021, the International Swaps and Derivatives Association, Inc. (**ISDA**) announced the results of its consultation on fallbacks for the GBP LIBOR ICE Swap Rate and the USD LIBOR ICE Swap Rate (the **ISDA Consultation**). The results indicated that a significant majority of respondents agreed with the fallback provisions set out in the draft amendments attached to the ISDA Consultation, which implement the fallbacks suggested by the Non-Linear Task Force (**NLTF**) of the Working Group on Sterling Risk-Free Reference Rates in the UK and a Subcommittee of the Alternative Reference Rates Committee (**ARRC**) in the US. The fallbacks are first to a published 'all-in' fallback rate that is calculated in accordance with the methodology suggested by NLTF or ARRC (as applicable) or, if such a published fallback rate is not available, then to a calculation performed by the Calculation Agent in accordance with the applicable methodology. In contrast, Refinitiv published its own consultation on 19 April 2021 inviting feedback on the introduction of a new TONA based total return swap, and the design of a fallback rate for use in swap rate products that currently reference JPY LIBOR. Pursuant to the results of its consultation, Refinitiv expects to start calculating and publishing a TONA-based Tokyo Swap Rate (**TSR**) in September 2021. Refinitiv also expects to start

publishing fallback rates for the JPY LIBOR TSRs based on a formula that is consistent with the fallback calculation for the USD LIBOR ICE Swap Rate and the GBP LIBOR ICE Swap Rate.

Even where progress has been made towards identifying appropriate fallbacks and administrators have published new swap rates linked to risk free rates, such as the GBP SONIA ICE Swap Rate launched by the IBA on 14 December 2020, there can be no guarantee that such rates will be liquid, and the method by which such new swap rates are calculated may change in the future. Consequently, the outcomes of determinations made by the Issuer and/or the Calculation Agent following an Administrator/Benchmark Event in respect of an IBOR Swap Rate may be unpredictable and the exercise of discretion by the Issuer and/or the Calculation Agent may adversely affect the market value of, and return (if any) on, the N&C Securities. Further, there is no assurance that the characteristics of any Replacement Benchmark will be similar to the relevant IBOR Swap Rate, or that the Replacement Benchmark will produce the economic equivalent of the relevant IBOR Swap Rate.

In any event, prior to any date of actual cessation or non-representativeness in respect of an IBOR Swap Rate, the occurrence of an Administrator/Benchmark Event in respect of an IBOR Swap Rate may discourage market participants from contributing to the underlying instruments, such as constant maturity swaps, by reference to which such IBOR Swap Rate is determined. Consequently, there may be inconsistent, limited or no liquidity in such instruments. This may happen more frequently as the relevant date of actual cessation or non-representativeness approaches. In particular, this may occur at times when the Issuer and/or the Calculation Agent is required to make a determination in respect of such rate under the N&C Securities, and may adversely affect the market value of, and return (if any) on, such N&C Securities.

ISDA Determination for Floating Rate N&C Securities

Where ISDA Determination is specified in the Final Terms for any issuance of Floating Rate N&C Securities, the rate of interest payable will be determined by reference to the Floating Rate under an interest rate swap incorporating either the 2006 ISDA Definitions or the 2021 ISDA Interest Rate Derivatives Definitions (the **2021 Definitions**), as specified in the Final Terms. Where the 2006 ISDA Definitions are specified, Supplement number 70 (the **ISDA IBOR Fallbacks Supplement**) includes fallbacks which will replace any Floating Rate that is a 'Relevant IBOR' in circumstances broadly similar to a Benchmark Transition Event: namely a permanent cessation of that Relevant IBOR and, for LIBOR Floating Rates, an announcement that such Relevant IBOR is no longer representative. 'Relevant IBORs' include GBP LIBOR, CHF LIBOR, USD LIBOR, EUR LIBOR, EURIBOR, JPY LIBOR, TIBOR, BBSW, CDOR, HIBOR, SOR, and THBFX. Once the relevant trigger event takes effect, the Floating Rate will fall back to a term adjusted risk-free rate for the relevant currency plus a spread. It should be noted that the ISDA IBOR Fallbacks Supplement will not cover all possible Floating Rates and this risk factor should be read accordingly.

Where the 2021 Definitions are specified, fallbacks are specified for all Floating Rates that are included in the Floating Rate Matrix (as defined in the 2021 Definitions) to replace the relevant Floating Rate upon a permanent cessation of such Floating Rate and/or an announcement that such Floating Rate is no longer representative. Such fallbacks will result in either: (a) the relevant Floating Rate being replaced with a specified alternative rate set out in the 2021 Definitions; or (b) in circumstances where the 2021 Definitions would otherwise provide for the application of certain 'Generic Fallback Provisions' or 'Administrator/Benchmark Event Fallbacks', these being replaced by the Issuer exercising the discretions following an Administrator/Benchmark Event, as described above.

Both the ISDA IBOR Fallbacks Supplement and the 2021 Definitions also include fallbacks in the event that a Relevant IBOR (in respect of the ISDA IBOR Fallbacks Supplement) or a Floating Rate (in respect of the 2021 Definitions) is temporarily unavailable. In the event that one particular tenor of a Relevant IBOR or Floating Rate (as applicable) is permanently discontinued or, for LIBOR Floating Rates, becomes non-representative, then for so long as there is a longer and a shorter tenor still available, no trigger event will occur. Instead, the Floating Rate will be determined by interpolating between the next shortest and next longest tenors. If there are no shorter or no longer tenors available, then the rate will fall back to a term-adjusted risk-free rate plus a spread. The Calculation Agent is entitled to make relevant adjustments to the Terms and Conditions to reflect any relevant adjustment or replacement of a rate for purposes of the ISDA Determination provisions.

Any of these fallback provisions may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Floating Rate N&C Securities if the previous rate had continued being published in its current form. In addition, use of the fallback provisions may result in the effective application of a fixed rate of interest to the Floating Rate N&C Securities.

As set out under 'Benchmark Transition Event' above, whilst IBORs are forward-looking term rates that embed bank credit risk, risk-free rates are overnight rates and are intended to be nearly risk-free. As such, investors should be aware that the fallback rates that will apply following a trigger event under the ISDA IBOR Fallbacks Supplement may behave materially differently as interest reference rates for N&C Securities issued under the Programme (please also see "*The market continues to develop in relation to RFRs as reference rates*" below).

The absence of bank credit risk in the risk-free-rates may have an adverse effect on the value of the N&C Securities. Both the ISDA IBOR Fallbacks Supplement and the 2021 Definitions provide that the applicable risk-free-rates will be term-adjusted and there will be an adjustment spread applied which may be positive, negative or zero. This is intended to reduce any transfer of economic value due to the absence of a bank credit risk premium in the replacement risk-free-rate. However, if such adjustment spread is negative, it will mean a lower rate of interest is payable. Even where such adjustment spread is positive, there can be no assurance that the adjustment spread will fully mitigate the transfer of economic value between the Issuer and Securityholder and the adjustment spread is not intended, or able, to replicate the dynamic bank credit risk premium embedded in an IBOR.

It should also be noted that the replacement interest rate determined under the ISDA IBOR Fallbacks Supplement or the 2021 Definitions, as applicable, will be a backward-looking rate based on an observed RFR. As such the relevant Rate of Interest and the related interest payments can only be calculated shortly before the relevant coupon payment date. Therefore, investors will have significantly less notice of the amounts due to be paid for a calculation period where the relevant interest rate has been determined under the ISDA IBOR Fallbacks Supplement by reference to a RFR.

EURIBOR and related reforms

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds referencing EURIBOR and the Euro OverNight Index Average (**EONIA**)). The guiding principles indicate, among other things, that continuing to reference EURIBOR or EONIA in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. Related to this, since 1 October 2019, EONIA has been calculated with a reformed methodology tracking €STR plus a fixed spread. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

The market continues to develop in relation to RFRs as reference rates

Where the applicable Final Terms for a Series of Floating Rate N&C Securities identifies that the Reference Rate will be determined by reference to Compounded Daily SONIA, Compounded Daily SOFR, Compounded Daily €STR and Compounded Daily SARON, the Reference Rate will be determined on the basis of a compounded daily rate unless Index Determination is specified as applicable. Equally, where the applicable Final Terms for a Series of Floating Rate N&C Securities identifies that the Reference Rate will be determined by reference to ISDA Determination and the relevant Floating Rate Option is an Overnight Floating Rate Option in respect of a RFR, such as SONIA, SOFR, €STR or SARON, the Reference Rate will be determined on the basis of a compounding or averaging methodology specified in the applicable Final Terms. Prospective investors in any N&C Securities referencing a RFR should be aware that the market continues to develop in relation to such RFRs as reference rates in the capital markets and their adoption as an alternative to IBORs.

The market or a significant part thereof may adopt an application of SONIA, SOFR, €STR or SARON that differs significantly from that set out in the Terms and Conditions and used in relation to N&C Securities referencing SONIA, SOFR, €STR or SARON that are issued under the Programme (namely where Screen Rate Determination is specified as applicable in the applicable Final Terms). Furthermore, the Issuer may in future issue N&C Securities referencing SONIA, SOFR, €STR or SARON that differ materially in terms of interest determination when compared with any previous SONIA-, SOFR-, €STR- or SARON-referenced N&C Securities issued under the Programme. The nascent development of compounded daily SONIA, SOFR,

€STR and SARON as interest reference rates for the capital markets, as well as continued development of SONIA-, SOFR-, €STR- and SARON-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-, SOFR-, €STR- or SARON-referenced N&C Securities issued under the Programme from time to time.

To the extent the SONIA, SOFR, €STR or SARON rate is not published, the applicable rate to be used to calculate the Interest Rate on N&C Securities referencing SONIA, SOFR, €STR or SARON, as applicable, will be determined using the fallback provisions set out in the Terms and Conditions. Any of these fallback provisions may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the N&C Securities if the SONIA, SOFR, €STR or SARON rate had been so published.

8. Risks relating to particular Reference Items

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

General risks and risks relating to Reference Item Linked Securities

Reference Item Linked Securities involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks (some of which may be increased in the case of an emerging market Reference Item). Purchasers should be prepared to sustain a total loss of the purchase price of the Securities. This risk reflects the nature of such a Security as an asset which, other factors held constant, tends to decline in value over time and which may become worthless. Prospective purchasers of Securities should understand the risks of transactions involving the relevant Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Securities and the particular Reference Item to which the value of, or payments or deliveries in respect of, the relevant Securities may relate, as specified in the applicable Final Terms.

Reference Item Linked Securities will represent an investment linked to the economic performance of one or more specified Reference Item(s) (which may involve a combination of two or more types of Reference Items) and prospective investors should note that the return (if any) on their investment in such Securities will depend upon the performance of such Reference Item(s). Potential investors should also note that whilst the market value of such Securities is linked to such Reference Item(s) and will be influenced (potentially negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s), Securities represent the right to receive payment or delivery, as the case may be, of the Cash Settlement Amount(s), the Final Redemption Amount(s), the Entitlement or the Early Redemption Amount, as the case may be, as well as periodic payments of interest (if specified in the applicable Final Terms in respect of N&C Securities) or Additional Amounts (if specified in the applicable Final Terms in the case of W&C Securities), all or some of which and the value of which will be determined by reference to the performance of the relevant Reference Item(s).

As the amounts payable and/or deliverable in respect of Reference Item Linked Securities are linked to the performance of the relevant Reference Item(s), a purchaser of such a Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Item(s). Assuming all other factors are held constant, the lower the value of such a Security 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 N&C Security), the greater the risk that purchasers of such Security will lose all or part of their investment.

Reference Item Linked Securities may be principal protected at maturity or non-principal protected. Investors in Reference Item Linked Securities that are non-principal protected may risk losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction.

Fluctuations in the value and/or volatility of the relevant Reference Item(s) will affect the value of the relevant Securities. Other factors which may influence the market value of Securities include the creditworthiness of the Issuer and/or the Guarantor (if applicable), general market sentiment, interest rates, foreign exchange rates, time value, potential dividend or interest payments (as applicable) in respect of the relevant Reference Item(s), changes in the method of calculating the relevant Reference Item(s) from time to time and market expectations regarding the future performance of the relevant Reference Item(s), its composition and such Securities.

The Issuer may issue several issues of Securities relating to a particular Reference Item.

Risks relating to Index Linked Securities

A brief overview of Index Linked Securities is contained in the "*Investment Considerations*" section. As set out below, an investment in Index Linked Securities will entail significant risks not associated with a conventional fixed rate or floating rate debt security.

The level of an index is based on the value of the assets or reference bases notionally comprised in such index, although prospective investors should note that the level of the index at any time may not include the reinvestment of the yield (if any) on the assets or reference bases notionally comprised in the index. Prospective investors should understand that global economic, financial and political developments, among other things, may have a material effect on the value of the assets or reference bases notionally comprising such index and/or the performance of the index.

Fluctuations in the value of an index and changes in the price or market value or level of the assets or reference bases notionally contained in an Index and/or changes in the circumstances of the issuers or sponsors of such assets or reference bases, might have an adverse effect on the level of an index and affect the value of Securities.

Potential investors in Index Linked Securities should be aware that depending on the terms of the Index Linked Securities (i) they may receive no or a limited amount of interest (or other periodic payments), (ii) a change in the value of the index/indices may result in an early redemption or cancellation of their Securities, (iii) payments may occur at a different time than expected and (iv) except in the case of Securities which are principally protected at maturity, they may lose all or a substantial portion of their investment if the value of the index/indices do not move in the anticipated direction.

In addition, the movements in the level of the index or indices may be subject to significant fluctuations that may not correlate with changes in economic factors, including changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may adversely affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

The components of an index may represent values of only one or a few countries or industries. In addition, even where a large number of countries or industries are represented, an unequal weighting of those in the index is possible. This means that if a country or industry in the index experiences an unfavourable development then such Index may be disproportionately affected by it.

Prospective investors should also note that dividends or periodic payments (if any) paid to holders of the assets in an index may not be taken into account in the index or the Securities. Consequently, the return on the Securities may not reflect any dividends which would be paid to investors that had made a direct investment in the assets comprised in the index. Consequently, the return on the Securities may be less than the return from a direct investment in the assets comprised in the index.

If the Final Redemption Amount, Cash Settlement Amount or interest or other interim amounts payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on the Final Redemption Amount, Cash Settlement Amount or interest or other interim amounts payable (and the value of the Securities) will be magnified.

If the Final Redemption Amount, Early Redemption Amount, Cash Settlement Amount or interest or other interim amounts payable are determined by reference to the worst performing index in a basket of indices, then investors will not receive any benefit from the better performing index/indices in the basket.

If the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time, such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay settlement in respect of the Securities. Prospective purchasers should review the relevant Terms and Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

Following the occurrence of an Index Adjustment Event in respect of any Index Linked Securities, the Issuer may require the Calculation Agent to determine such adjustment to the terms of such Index Linked Securities as it deems appropriate, which may include without limitation, (i) delaying any applicable valuation date(s), (ii) determining the relevant level of one or more indices, (iii) in the case of a basket of indices, removing any affected indices from the basket, or (iv) replacing any affected index with one or more replacement indices. Such adjustment may have an adverse effect on the value and liquidity of the affected Index Linked Securities. In addition, the Issuer may redeem or cancel the Securities, as applicable, in whole or (in the case of an Index Basket or a Mixed Basket) in part following the occurrence of an Index Adjustment Event.

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

Decisions or determinations made by the Index Sponsor regarding an Index may have a negative impact on the value of the Securities. This may lead to an Index level differing substantially from the one that would have been obtained had the Index Sponsor arrived at different decisions or determinations. Where the Index Sponsor is a member of the Nomura Group, the making of such decisions or determinations may lead to a potential conflict of interest.

The Issuer shall have no liability to the Securityholders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index.

Changes in the composition of an Index or in some other regard might entail costs or otherwise have the effect of lowering the level or value of the Index, and thereby also the value of the Securities.

Where the composition of an Index is supposed to be published on an internet site (as provided for in the Index or the applicable Final Terms) or in other media, such publication might not always show the Index's up-to-date composition since updates may be posted with a delay.

Risks relating to Equity Linked Securities

A brief overview of Equity Linked Securities is contained in the "*Investment Considerations*" section. As set out below, an investment in Equity Linked Securities will entail significant risks not associated with a conventional debt security.

Prospective investors should be aware that the market value of the Securities may not have a direct relationship with the prevailing price of the underlying equity(ies), in that changes in the prevailing price of the underlying equity(ies) will not necessarily result in a comparable change in the market value of the Securities.

Risks relating to GDR/ADR Linked Securities are dealt with separately below (see "*Risks relating to GDR/ADR Linked Securities*").

Exchangeable N&C Securities may be issued. On redemption Exchangeable N&C Securities can be redeemed for shares or for an amount linked to the price of the shares and as a result the redeemed value may, depending on the performance of the shares or the stock market trend prevailing on the date of redemption, be substantially lower than the initial investment. Investors should note that they have the right, subject to fulfilling certain requirements, to elect the time at which Exchangeable N&C Securities should be so redeemed. The timing of making such election (or not making such election) may in itself have a significant effect on the investment return (if any) of the Exchangeable N&C Securities. While investors are fully exposed to the relevant shares, however, Exchangeable N&C Securities do not convey any ownership.

Potential investors in Equity Linked Securities should be aware that depending on the terms of the Equity Linked Securities (i) they may receive no or a limited amount of interest (or other periodic payments), (ii) a

change in the price of the share(s) may result in an early redemption or cancellation of their Securities, (iii) payments or delivery of any specified assets may occur at a different time than expected and (iv) except in the case of Securities which are principally protected at maturity, they may lose all or a substantial portion of their investment if the value of the share(s) do not move in the anticipated direction.

In addition, the movements in the price of the share or basket of shares may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the share or shares may adversely affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the share or shares, the greater the effect on yield.

If the Final Redemption Amount, Cash Settlement Amount or interest payable, or Entitlement deliverable, are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the share or shares on the Final Redemption Amount, Cash Settlement Amount or interest payable, or Entitlement deliverable, will be magnified.

If the Final Redemption Amount, Early Redemption Amount, Cash Settlement Amount or interest payable, or Entitlement deliverable, are determined by reference to the worst performing share in a basket of shares, their investors will not receive any benefit from the better performing share(s) in the basket.

In the case of Equity Delta One Redemption N&C Securities and Equity Delta One W&C Securities, costs which arise or may arise in relation to the Securities may be deducted from the Final Redemption Amount or Cash Settlement Amount, as applicable. Potential investors should note that such future costs, if deducted, may not actually arise and no reimbursement of these amounts will be made in this event.

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 Securities and/or may delay settlement in respect of the Securities. Prospective purchasers should review the relevant Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

In the case of Equity Linked Securities following the declaration by the Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the 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 determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Equity Linked Securities. In the case of Equity Delta One Redemption N&C Securities and Equity Delta One W&C Securities, if such Potential Adjustment Event has a diluting effect on the theoretical value of the relevant share, then instead of or in addition to such adjustment(s), additional securities may be issued to Securityholders to account for that effect.

In the event that an Additional Disruption Event occurs in respect of any Equity Linked Securities, then the Calculation Agent shall either (a)(i) make such adjustment to the exercise, settlement, payment or any other terms of such Equity Linked Securities as the Calculation Agent determines appropriate to account for such Additional Disruption Event and (ii) determine the effective date of that adjustment, or (b) if the Calculation Agent determines that no adjustment that it could make under (a) will produce a commercially reasonable result, notify the Issuer thereof in which event the Issuer may redeem or cancel all, but not some only, of such Equity Linked Securities as of such date as the Calculation Agent shall determine.

In addition, in the case of Equity Linked Securities, if a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to any Share, the Issuer may take the action described in (i), (ii) or (iii) below:

- (i) require the Calculation Agent to determine 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, 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 Equity Linked Securities;

- (ii) redeem or cancel, as applicable, part (in the case of Equity Linked Securities relating to a basket of Shares) or all (in any other case) of the Securities. Following such redemption or cancellation an investor generally would not be able to reinvest the redemption or cancellation proceeds at an effective interest rate as high as the interest rate on the relevant Securities being redeemed or cancelled and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time; or
- (iii) if so specified in the applicable Final Terms, require the Calculation Agent to select a substitute Share in accordance with specified substitution criteria to replace such affected Share.

The issue price of Equity Delta One Redemption N&C Securities and Equity Delta One W&C Securities will reflect the value of the relevant shares on the relevant pricing date and the final settlement amount payable in respect of such Securities will be linked to the performance of the relevant share company. Therefore, if the traded price of the relevant shares falls below the value of the shares on the relevant pricing date, the final settlement amount payable in respect of each such Security may be less than the issue price of such Security.

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

Generally no issuer of the relevant share(s) will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Equity Linked Securities and none of the Issuer, the Guarantor (if applicable) or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, not all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of any publicly available information) that would affect the trading price of the share will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the share and therefore the trading price of the Securities.

In the case of Equity Delta One Redemption N&C Securities and Equity Delta One W&C Securities, Securityholders may be entitled to receive payments calculated by reference to the amount of dividends that would be received by a holder of the relevant shares, provided that the conditions specified in the terms of the relevant Conditions are met. Such Securityholders are not by virtue thereof the holders of the relevant shares and do not have any right to receive any information from the relevant share company.

Securityholders of Equity Linked Securities will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Securities relate.

Risks relating to GDR/ADR Linked Securities

A brief overview of GDR/ADR Linked Securities is contained in the "*Investment Considerations*" section. As set out below, an investment in GDR/ADR Linked Securities will entail significant risks not associated with a conventional debt security.

Potential investors in GDR/ADR Linked Securities should be aware that depending on the terms of the GDR/ADR Linked Securities (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) except in the case of Securities which are principally protected at maturity, they may lose all or a substantial portion of their investment if the value of the GDRs and/or ADRs does not move in the anticipated direction.

In addition, the movements in the price of the GDRs and/or ADRs may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the GDRs and/or ADRs may adversely affect the actual yield to investors, even if the

average level is consistent with their expectations. In general, the earlier the change in the price of the GDRs and/or ADRs, the greater the effect on yield.

If the Final Redemption Amount, Cash Settlement Amount or interest payable, or Entitlement deliverable, are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the GDRs and/or ADRs on the Final Redemption Amount, Cash Settlement Amount or interest payable, or Entitlement deliverable, will be magnified.

The market price of GDR/ADR Linked Securities may be volatile and may be affected by the time remaining to the redemption date or exercise date (as applicable), the volatility of the GDRs and/or ADRs and the financial results and prospects of the issuer or issuers of the GDRs and/or ADRs as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such GDRs and/or ADRs may be traded.

The risk factors associated with (i) Disrupted Days, (ii) Potential Disruption Events, (iii) Additional Disruption Events and (iv) the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency set out in respect of Equity Linked Securities above are also applicable to GDR/ADR Linked Securities. In addition, these provisions may be applicable in respect of the applicable GDR/ADR and/or the relevant underlying shares and prospective purchasers should review the relevant Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities. Furthermore, certain of these or similar events may also affect the depositary which is the legal owner of the underlying shares. Any such event which has a material adverse impact on the depositary may have a corresponding adverse effect on the performance of the Securities.

Risks relating to FX Linked Securities

A brief overview of FX Linked Securities is contained in the "*Investment Considerations*" section. As set out below, an investment in FX Linked Securities will entail significant risks not associated with a conventional debt security.

The foreign exchange rate(s) to which the FX Linked Securities are linked will affect the nature and value of the investment return on such Securities. Foreign exchange rates are dependent on the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates and interest rates in the jurisdiction(s) in which the relevant currency is the lawful currency, economic forecasts, international political factors, currency convertibility and risks associated with making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Emerging market or non-deliverable currencies can be significantly more volatile than deliverable currencies or currencies of developed markets and are more likely to be the subject of events that disrupt a particular market for a currency. Disruption events that may apply to FX Linked Securities are set out in Annex 3 "*Additional Terms and Conditions for FX Linked Securities*". The applicable Final Terms will specify which Disruption Events apply to a particular series of FX Linked Securities. Consequences of a Disruption Event are set out below.

Potential investors in any FX Linked Securities should be aware that depending on the terms of the FX Linked Securities (i) they may receive no or a limited amount of interest (or other periodic payments), (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) except in the case of Securities which are principally protected at maturity, they may lose all or a substantial portion of their investment if the currency exchange rates do not move in the anticipated direction.

In addition, the movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may adversely affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the currency exchange rates, the greater the effect on yield.

If the Final Redemption Amount, Cash Settlement Amount or interest payable, or Entitlement deliverable, are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on the Final Redemption Amount, Cash Settlement Amount or interest or other interim amounts payable, or Entitlement deliverable, will be magnified.

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of FX Linked Securities. Furthermore, investors who intend to convert gains or losses from the exercise, redemption or sale of FX Linked Securities into their home currency may be affected by fluctuations in exchange rates between their home currency and Settled Currency (as defined below) of the Securities. Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency/currencies, regardless of other market forces (see "*Exchange rate risks and exchange controls*" below).

In the event that a Disruption Event has occurred or exists as of the relevant time(s) for determination of any Settlement Rate or any other relevant time on any day and such Disruption Event is material in the context of determining such Settlement Rate then one or more of the following fallback provisions may be applicable to the Securities, each as further specified in the applicable Final Terms (and, if more than one such fallback provision is relevant, the Calculation Agent may select any of such fallback provisions as it determines appropriate):

- (i) the Calculation Agent may determine the relevant Settlement Rate by reference to such source(s) it deems relevant;
- (ii) the Calculation Agent may determine the relevant Settlement Rate by reference to a specified fallback reference price;
- (iii) the relevant valuation date may be postponed; or
- (iv) the Issuer may redeem or cancel, as applicable, the Securities early.

The application of any such fallback provisions may have an adverse effect on the value and liquidity of the affected FX Linked Securities. Prospective purchasers should review the relevant Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

Risks relating to Commodity Linked Securities

A brief overview of Commodity Linked Securities is contained in the "*Investment Considerations*" section. As set out below, an investment in Commodity Linked Securities will entail significant risks not associated with a conventional debt security.

Potential investors in Commodity Linked Securities should be aware that depending on the terms of the Commodity Linked Securities (i) they may receive no or a limited amount of interest (or other periodic payments), (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) except in the case of Securities which are principally protected at maturity, they may lose all or a substantial portion of their investment if the value of the commodity(ies) or commodity index(ices) do not move in the anticipated direction.

In addition, the movements in the price of the commodity(ies) or commodity index(ices) may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the commodity(ies) or commodity index(ices) may adversely affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or level of the commodity(ies) or commodity index(ices), the greater the effect on yield.

If the Final Redemption Amount, Cash Settlement Amount or interest payable, or Entitlement deliverable, are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price or level of the commodity(ies) or commodity index(ices) on the Final Redemption Amount, Cash Settlement Amount or interest payable, or Entitlement deliverable, will be magnified.

The market price of Commodity Linked Securities may be volatile and may be affected by the time remaining to the redemption date or exercise date, as applicable, the volatility of the commodity(ies) or commodity index(ices) as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such commodity(ies) may be traded.

Following the occurrence of a Commodity Market Disruption Event which is continuing on any Pricing Date, the Relevant Commodity Price for that Pricing Date will be determined by the Calculation Agent in accordance

with the first applicable Disruption Fallback that provides a Relevant Commodity Price, such Disruption Fallback may require that:

- (i) the Calculation Agent determines the Relevant Commodity Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Commodity Market Disruption Event;
- (ii) the publication or announcement of the Relevant Commodity Price be delayed; or
- (iii) the Calculation Agent determines the Relevant Commodity Price or the price for an Underlying Futures Contract, as applicable (or a method for determining the foregoing), taking into consideration the latest available quotation for the relevant Commodity Reference Price or Underlying Futures Contract, as applicable, and any other information that in its sole discretion it deems relevant.

The application of any such Disruption Fallback provisions may have an adverse effect on the value and liquidity of the affected Commodity Linked Securities.

If, with respect to a Commodity Index, a Commodity Index Adjustment Event occurs, then the Issuer may at its option require the Calculation Agent to (i) determine such adjustment to the terms of such Commodity Linked Securities as it deems appropriate, which may include without limitation, delaying any applicable date for valuation or observation of the relevant Commodity Index, (ii) replace any affected commodity index with one or more replacement indices, or (iii) calculate the Relevant Commodity Price using, in lieu of a published level for the relevant index, the level for the index as at the applicable Pricing Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the index last in effect prior to the relevant Index Adjustment Event, but using only those Index Components that comprised the relevant Commodity Index immediately prior to the relevant Commodity Index Adjustment Event (other than those Index Components that have ceased to be listed on any relevant Exchange or traded on any relevant over-the-counter market (bilateral or otherwise)). Any such Calculation Agent determination may have an adverse effect on the value and liquidity of the affected Commodity Linked Securities. In addition, the Issuer may redeem or cancel the Securities following the occurrence of a Commodity Index Adjustment Event. Prospective purchasers should review the relevant Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

Commodities are generally divided into four main classes and Commodity Indices may include one or more of these: (i) **Energy**: which includes crude oil, gasoline, heating oil and natural gas; (ii) **Agriculture**: which includes corn, soybeans, wheat, sugar, cocoa, cotton and coffee; (iii) **Livestock**: which includes cattle and hogs; and (iv) **Metals**: which can be subdivided into base metals such as aluminium, copper, nickel, lead and zinc, and precious metals such as gold and silver. In addition to factors affecting commodities generally that are described above, Commodity Linked Securities linked specifically to the price of energy, agriculture, livestock or metals may be subject to a number of additional factors specific to such commodities that might cause price volatility. An overview of these factors is contained in the "*Investment Considerations*" section. In each case, these factors interrelate in complex ways, and the effect of one factor on the market value of Commodity Linked Securities linked to the price of any energy-related commodity may offset or compound the effect of another factor. Investors should be aware of this risk and take independent, specialist advice wherever necessary.

The London Metal Exchange's use of or omission to use price controls may result in limited appreciation but unlimited depreciation in the price of certain base metal futures contracts traded on the LME and, therefore, the value of Commodity Linked Securities linked to the price of such base metals.

U.S. exchanges have regulations that limit the amount of fluctuation in some futures contract prices that may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits". In contrast, futures contracts on aluminium, copper, lead, nickel that are traded on the London Metal Exchange (the **LME**) are not subject to daily price fluctuation limits to restrict the extent of daily fluctuations in the prices of such contracts. In a declining market, therefore, it is possible that prices for one or more contracts traded on the LME would continue to decline without limitation within a trading day or over a period of trading days. A steep decline in the price of the futures contract could have a significant adverse impact on the value of any Commodity Linked Securities linked to such aluminium, copper, lead, nickel futures contracts.

Moreover, the LME has discretion to impose "backwardation limits" by permitting short sellers who are unable to effect delivery of an underlying commodity and/or borrow such commodity at a price per day that is no greater than the backwardation limit to defer their delivery obligations by paying a penalty in the amount of the backwardation limit to buyers for whom delivery was deferred. Backwardation limits tend to either constrain appreciation or cause depreciation of the prices of futures contracts expiring in near delivery months. Impositions of such backwardation limits could adversely affect the value of any Commodity Linked Securities linked to such aluminium, copper, lead, nickel futures contracts.

Contracts traded on the LME are exposed to concentration risks beyond those characteristic of futures contracts on U.S. futures exchanges.

Futures contracts traded on U.S. futures exchanges generally call for delivery of the physical commodities to which such contracts relate in stated delivery months. In contrast, contracts traded on the LME may call for delivery on a daily, weekly or monthly basis. As a result, there may be a greater risk of a concentration of positions in contracts trading on the LME on particular delivery dates than for futures contracts traded on U.S. futures exchanges, since, for example, contracts calling for delivery on a daily, weekly or monthly basis could call for delivery on the same or approximately the same date. Such a concentration of positions, in turn, could cause temporary aberrations in the prices of contracts traded on the LME for delivery dates to which such positions relate. To the extent such aberrations are in evidence on a given pricing date with respect to the price of any such futures contract, they could adversely affect the value of any Commodity Linked Securities linked to such futures contracts.

Risks relating to Fund Linked Securities

A brief overview of Fund Linked Securities is contained in the "*Investment Considerations*" section. As set out below, an investment in Fund Linked Securities will entail significant risks not associated with a conventional debt security.

Potential investors in Fund Linked Securities should be aware that depending on the terms of the Fund Linked Securities (i) they may receive no or a limited amount of interest (or other periodic payments), (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) except in the case of Securities which are principally protected at maturity, they may lose all or a substantial portion of their investment if the value of the fund share(s) or unit(s) do not move in the anticipated direction.

In addition, the movements in the price of fund share(s) or unit(s) may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the fund share(s) or unit(s) may adversely affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the fund share(s) or unit(s), the greater the effect on yield.

Despite the fact that, in relation to any Fund, a net asset value may be published, potential investors should be aware that in most cases payments on the Fund Linked Securities will be determined by reference to amounts that would be received by a hypothetical investor in the relevant Fund. Any such amounts may be significantly different from amounts calculated by reference to the net asset value of the relevant Fund. In addition, potential investors should be aware that, in relation to payments due on Fund Linked Securities which are determined by reference to amounts that would be received by a hypothetical investor, where such hypothetical investor would receive payments after their scheduled payment date, corresponding delays may also be made to equivalent payments on the Fund Linked Securities.

As part of its investment policy, a Fund might invest in assets that are largely illiquid. A possible consequence of this is that the Fund is not able to sell these assets at the planned time, or can only do so at a lower price. If the planned sale is delayed, the value of the asset concerned can change substantially between the planned and actual time of sale. In the event of a negative change, the fund's net asset value may also decline. Such a delay may also create difficulties in calculating the fund's net asset value. Any such delayed calculation may entail further unfavourable consequences for the Securityholders.

Investors should be aware that a Fund that pursues "alternative investment strategies" (for example, a hedge fund) also bears the risks specific to such types of investment strategy. These may include one or more of the following: lack of transparency, inadequate investment restrictions, concentration of risks, leverage, use of

derivatives, short sales and trading in illiquid instruments. In addition, the fund manager and any trustee are often unable to offer any protection against the risk of fraud or misrepresentation by a trading consultant, asset manager or other service provider of the fund.

Furthermore, investors should be aware that the Fund may either invest directly in the assets or may reference the assets' performance using a multitude of hedging strategies and/or mathematical modelling techniques. These strategies and techniques can change over time. They may also be speculative in nature, prove ineffective, or entail a substantial risk of loss. It may be difficult to obtain valuations of products to which such strategies and/or techniques are applied. Uncertainties as to the valuation of the Fund assets may have an adverse effect on the net asset value of the Fund. Furthermore, the loss in value regarding such products may be greater than with other investments. Alternative investment vehicles are often unregulated, offer only limited information about their activities, may charge high costs, commissions and fees (including fees charged on the basis of unrealised profits), have no minimum credit standards, pursue short-selling strategies, use external resources to a large degree, and offer securities relating to accounts not managed separately.

Valuation errors in calculating the net asset value of investment vehicles contained in a fund of funds affect the calculation of that fund of funds' net asset value and the relevant redemption proceeds. A fund of funds may invest in vehicles that are not quoted in recognised securities markets or are traded over-the-counter. In these cases, the net asset value of the investment vehicle as calculated by its manager is used to calculate the net asset value of the fund of funds. Should the data obtained be erroneous in any way, this can have a substantial impact on the fund of funds' net asset value and the relevant redemption proceeds. The manager of an investment vehicle might calculate the respective net asset value with delays, in which case the calculation of the net asset value per share of the fund of funds can be based on the estimated net asset value per share of such vehicle. The estimated net asset value can differ from the final one published later. Since a Fund may invest in shares of investment vehicles that are not publicly quoted and can only be acquired through the management companies or administrators, obtaining confirmations of the execution of orders to buy or sell investments can also be delayed. The determination of the net asset value can be based on such orders to buy or sell investments even before confirmation of the actual execution has been received. If such a confirmation does not precisely correspond to the orders issued, this can have a substantial impact on the net asset value and thus the relevant redemption proceeds.

The relevant Fund may concentrate its assets on certain countries, industries or investment classes. In this case it can be subject to greater fluctuations in value than if it diversified the risks among lines of business, regions and countries. The value of investments in certain countries, industries and investment classes may be very volatile within brief periods of time.

The relevant Fund may be subject to substantial currency risks. Even a Fund's hedging transactions may not exclude such risks. Funds that invest in lightly regulated, narrow and exotic markets face certain risks. For example, some markets can face government actions resulting in the full or partial loss of the invested asset or attachment of the asset invested there. These markets might also be regulated less reliably than others.

Funds might be subject to no supervision or may invest in vehicles that are themselves unsupervised. Conversely, the introduction of supervision over previously unregulated funds can result in substantial disadvantages for them.

A large number of subscription or repurchase orders with the Fund by investors can lead to either an accelerated sale or temporary dilution of assets and higher fees for the remaining investors or "gating" where such orders are only satisfied in part, with others being delayed.

If the Final Redemption Amount, Cash Settlement Amount or interest payable, or Entitlement deliverable, are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the fund share(s) or unit(s) on the Final Redemption Amount, Cash Settlement Amount or interest payable, or Entitlement deliverable, will be magnified.

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

Following the existence or occurrence of any Fund Potential Adjustment Event (whether or not such Potential Fund Adjustment Event is continuing), the Calculation Agent will determine whether such Fund Potential

Adjustment Event has a diluting, concentrative or other effect on the relevant Fund Interest and, if so, may make a corresponding adjustment, if any, to any one or more of any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent determines appropriate to account for the economic effect on the Securities of the Fund Potential Adjustment Event, to preserve the economic objective and rationale of the Securities and to account for that diluting, concentrative or other effect and determine the effective date of that adjustment. Any such adjustment may have an adverse effect on the value and liquidity of the affected Fund Linked Securities.

The Fund Linked Securities are subject to the occurrence of Fund Events, which take into account various events or circumstances relating to Funds which may impact a Fund, the Fund Linked Securities and/or the hedging arrangements in relation to the Fund Linked Securities. The exercise by the Issuer or the Calculation Agent of any discretion under the terms and conditions of the Fund Linked Securities to take any of the actions available to it in order to address the impact of such events or circumstances may be used to ensure that the effect of such events or circumstances is reflected in the terms of the Securities, consistent with the economic objective and rationale of the Securities, being that they provide exposure to the relevant Fund(s). However, the Issuer and the Calculation Agent are under no obligation to monitor whether a Fund Event has occurred in respect of an underlying Fund. Following the existence or occurrence of a Fund Event (whether or not such Fund Event is continuing), the Issuer may (or may require the Calculation Agent to):

- (i) delay any determination until the Calculation Agent determines the Fund Event no longer exists;
- (ii) use an estimated or modified value of a Fund Interest or aggregate or other net asset value of the Fund by reference to such source(s) as it determines appropriate which may include, without limitation, the last communicated official and/or estimated Fund net asset value(s);
- (iii) require the Calculation Agent to make such determinations and/or adjustments to the Conditions and/or the applicable Final Terms as it determines appropriate to account for the Fund Event, the economic effect of the relevant Fund Event on the Securities and/or the hedging arrangements of the Issuer and/or its Affiliates and/or to preserve the economic objective and rationale of the Securities, which may be applied by the Calculation Agent in the manner and, if applicable, applying such methodologies, as it determines appropriate in its sole discretion (and, without limitation, such adjustment(s) may take into account any costs, expenses and/or regulatory capital requirements to which the Issuer and/or its Affiliates may be subject, whether in connection with the Fundamental Review of Trading Book or otherwise, or present and future costs of the Issuer and/or any of its Affiliates in relation to or in connection with such Fund Event) (including, if so specified in the applicable Final Terms, replacing any affected Fund Interest with a replacement Fund Interest);
- (iv) redeem or cancel, as applicable, the Securities;
- (v) redeem or cancel, as applicable, a portion of the Securities and elect, in lieu of payment, to deliver or procure delivery of some or all of the relevant Fund Interests (or, if applicable, Spin-off Fund Interests) to which the Securities relate;
- (vi) redeem or cancel, as applicable, a portion of the Securities at such amount as the Calculation Agent determines could be realised by a Hypothetical Investor for immediately available cash proceeds at such time, less all unwind costs, taxes and expenses incurred by the Issuer or any Affiliate or agent in such realisation; or
- (vii) delay payment of any redemption, settlement, interest amounts (in the case of Fund Linked N&C Securities) or additional amounts (in the case of Fund Linked W&C Securities).

The application of any such provisions may have an adverse effect on the value and liquidity of the affected Fund Linked Securities. Prospective purchasers should review the relevant Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

Fund Linked Securities are offered to investors at the relevant price and on the relevant terms on the basis that the Issuer and/or its Affiliates can effectively and continuously hedge and manage its and/or their risks under the Securities. Therefore, the terms and conditions of the Securities provide that, following the occurrence of certain events outside of the Issuer's and/or its Affiliates' control that may result in additional risks or costs for the Issuer and/or its Affiliates (which may include, without limitation, any regulatory capital charges or any

similar charges imposed on the Issuer and/or its Affiliates in connection with the Fund Linked Securities and/or related hedging arrangements by any governmental or regulatory body), the Issuer or the Calculation Agent (as applicable) may exercise its discretion to determine to take one of the actions available to it in order to address the impact of such event on the Securities and/or the Issuer and/or its Affiliates' hedging arrangements (or both). Such determination could have a material adverse impact on the value of and the return on the Securities and/or could result in their early redemption or cancellation.

Subject as may be provided in the applicable Final Terms (in the case of Exempt Securities only), the price in respect of a Fund and the related Relevant Holding, will be determined by reference to an amount in the Settlement Currency determined by the Calculation Agent to be equal to the redemption proceeds relating to the Relevant Holding that the Calculation Agent determines would be received by a hypothetical investor. A Relevant Holding, in respect of a Fund, is the holding of such number or amount of Fund Interests per nominal amount of N&C Securities equal to the Calculation Amount or per W&C Security, as applicable, as is specified in the applicable Final Terms which shall be deemed to be acquired by a hypothetical investor. Such Relevant Holding may be subject to adjustment including but without limitation following (i) interest payments, if any, (ii) Fund equalisations or (iii) the redemption of Fund Shares attributed to fee payments. Where any such adjustment has the effect of decreasing the Relevant Holding, this may have an adverse effect on the calculation of the price of the Fund and, consequently, the performance of the Fund Linked Securities.

In the case of Fund Linked Securities linked to Exchange Traded Funds, 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 Securities and/or may delay settlement in respect of the Securities. Prospective purchasers should review the relevant Terms and Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

Funds regularly charge fees (such as management fees) that lower the redemption proceeds used to determine the redemption, cancellation and/or interim amounts under the Securities. In addition, other fees and expenses can be incurred that are charged by third persons employed by the fund manager to provide services connected to the Fund (such as custodian bank fees, fees for investment advice and auditing). Furthermore, the fund manager, asset manager or investment consultant may charge a performance-related fee.

There may also be fees incurred at the level of the assets held by a Fund that lower the value of these assets, and thereby also indirectly lower the net asset value of the Fund itself. Such fees occur especially if the Fund for its part invests in other funds (a fund of funds) or other investment vehicles or instruments entailing fees.

These fees may lower the net asset value of the fund, and thereby also indirectly lower the redemption, cancellation and/or interim amounts under the Securities.

Certain conflicts of interest may occur in connection with a Fund's business activities. With a trustee, manager or consultant of the Fund, potential conflicts of interest may arise due to fee refunds or other benefits. In addition, advisers of the Fund and their employees may perform management, trading or consulting services for other accounts. Where investments are lucrative, one of these people might be tempted to initially favour the portfolios yielding the highest fees.

Similarly, fund advisors and their employees or senior officials may provide management, trading or consulting services for their own accounts and those of other customers and make recommendations or adopt positions differing from those issued for or maintained by the Fund or competing with those of the Fund. People entrusted with managing the Fund assets might receive performance fees but not participate in possible losses. This can create an incentive to execute riskier transactions. Furthermore, persons connected with an administrator, manager, trustee or other persons involved in the fund's management might enter into their own transactions with the fund. Besides these, other conflicts of interest may exist.

In the case of Fund Linked Securities linked to Exchange Traded Funds (ETFs) following the declaration by the ETF of the occurrence of any Potential Adjustment Event, the Calculation Agent will 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 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 Securities.

In addition, in the case of Fund Linked Securities linked to Exchange Traded Funds, if a Merger Event, Tender Offer, De-listing, Material Underlying Event, Nationalisation or Insolvency occurs in relation to any Fund Share, the Issuer may, *inter alia*, take the action described in (i) or (ii) below:

- (i) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any 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 Securities; or
- (ii) redeem or cancel, as applicable, all of the Securities. Following such redemption or cancellation an investor generally would not be able to reinvest the redemption or cancellation proceeds at an effective interest rate as high as the interest rate on the relevant Securities being redeemed or cancelled and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

The market price of Fund Linked Securities 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.

In the case of Fund Linked Securities linked to Exchange Traded Funds, the Exchange Traded Fund may be linked to or otherwise track the price of a commodity, for example precious metals such as gold. Such Fund Linked Securities linked to Exchange Traded Funds will be subject to a number of additional risk factors that may cause price volatility as further described in respect of commodities in the section entitled "*Risks relating to Commodity Linked Securities*" above.

Risks relating to Type A Fund Linked Securities

Where W&C Securities are Type A Fund Linked Securities, the value of a security in the Initial Reference ETF is relevant for the purposes of calculating the Exercise Price and the Fixed Spread and the value of a share or unit in Final Reference ETF is relevant for the purposes of calculating the Final Price and the Fixed Spread. The aim of the Fixed Spread is that the Settlement Price used for the determination of the Cash Settlement Amount should be approximately the same as the closing price of securities in the Initial Reference ETF on the Final Valuation Date (assuming that the difference between the official closing prices of securities in the Initial Reference ETF and the Final Reference ETF on the Final Valuation Date is approximately the same as such historical price difference as determined by the Calculation Agent on the Initial Valuation Date). However, where this is not the case and/or this aim is not achieved, this in turn may have an adverse effect on the value of Type A Fund Linked Securities.

Risks relating to Inflation Linked Securities

A brief overview of Inflation Linked Securities is contained in the "Investment Considerations" section. As set out below, an investment in Inflation Linked Securities will entail significant risks not associated with a conventional debt security.

Potential investors in Inflation Linked Securities should be aware that depending on the terms of the Inflation Linked Securities (i) they may receive no or a limited amount of interest (or other periodic payments), (ii) payments may occur at a different time than expected and (iii) except in the case of Securities which are principally protected at maturity, they may lose all or a substantial portion of their principal investment if the value of the inflation index does not move in the anticipated direction.

In addition, the movements in the level of the inflation index may be subject to significant fluctuations that may not correlate with changes in other economic variables or indices and the timing of changes in the relevant level of the inflation index may adversely affect the actual yield to investors, even if the average level is

consistent with their expectations. In general, the earlier the change in the level of an inflation index or result of a formula, the greater the effect on yield.

If the Final Redemption Amount, Cash Settlement Amount or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of an inflation index on the Final Redemption Amount, Cash Settlement Amount or interest payable will be magnified.

Pursuant to the relevant Conditions, the Calculation Agent may make determinations in relation to the inflation index or indices, and in certain circumstances, following cessation of publication of the inflation index, the Calculation Agent may determine that there is no appropriate alternative inflation index, in which case the Issuer may redeem or cancel the Securities, as applicable. Such determinations may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay settlement in respect of the Securities. Prospective purchasers should review the relevant Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

The market price of Inflation Linked Securities may be volatile and may depend on the time remaining to the redemption date or exercise date (as applicable) and the volatility of the level of the inflation index. The level of the inflation index may be affected by the economic, financial and political events in one or more jurisdictions.

Risks relating to Credit Linked Securities

General risks relating to Credit Linked Securities

An overview of Credit Linked Securities is contained in the "*Investment Considerations*" section. Investors should refer to this overview for important information relating to, among other things, physical settlement of Credit Linked Securities, the ISDA Credit Derivatives Definitions, amendment of Credit Linked Securities in accordance with market convention, hedging disruption, the Credit Derivatives Physical Settlement Matrix and the role of the Credit Determinations Committee. In particular, holders of Credit Linked Securities should be aware that:

- where physical settlement of Credit Linked Securities applies and holders fail to comply with physical settlement requirements, there is a significant risk that they may not receive their entitlement;
- there are differences between the 2003 ISDA Credit Derivatives Definitions and the 2014 ISDA Credit Derivatives Definitions (the **ISDA Credit Derivatives Definitions**) which are reflected in the relevant Additional Terms and Conditions for Credit Linked Securities, and such differences may have an adverse impact on the value of the Credit Linked Securities and the return (if any) to investors;
- the ISDA Credit Derivatives Definitions are subject to continuous evolution and require further amendment when reflected in the terms of an offering of securities such as the Credit Linked Securities, meaning that the Credit Linked Securities may not conform to future market standards and are not equivalent to investing in a credit default swap which incorporates the ISDA Credit Derivatives Definitions;
- in certain circumstances the Calculation Agent may amend the Additional Terms and Conditions for Credit Linked Securities in a way which is unfavourable to investors;
- the Issuer may make adjustments to the Additional Terms and Conditions for Credit Linked Securities or redeem or cancel the Credit Linked Securities to account for certain hedging disruption events and in this way have an adverse impact on the value of the Credit Linked Securities;
- the Credit Linked Securities may incorporate certain terms of the Credit Derivatives Physical Settlement Matrix, and it is the responsibility of the investor to ensure that they are familiar with such terms;
- following a Credit Event Determination Date the Issuer may select an Obligation for delivery which has the lowest value in the market at that time, thereby adversely impacting the return (if any) to investors;

- in respect of a Credit Event, the Credit Event Determinations Committee has the power to make binding decisions on critical issues and investors will have no control over how such decisions are made notwithstanding that they may have a significant impact on the return (if any) to investors.

As set out below, an investment in Credit Linked Securities will entail significant risks not associated with a conventional debt security.

Prospective investors in Credit Linked Securities should be aware that depending on the terms of the Credit Linked Securities (i) they may receive no or a limited amount of interest (or other periodic payments), (ii) payments may occur at a different time than expected and (iii) except in the case of Securities which are principally protected at maturity, they may lose all or a substantial portion of their investment.

The market price of Credit Linked Securities may be volatile and will be affected by, amongst other things, the time remaining to the redemption date or settlement date, as applicable, prevailing credit spreads and the creditworthiness of the relevant Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions. In the event of early redemption or early cancellation, as applicable, of Credit Linked Securities (other than Zero Recovery Basket Credit Linked N&C Securities, Tranche Zero Recovery Basket Credit Linked N&C Securities, Tranche Recovery Index Credit Linked N&C Securities, Tranche Zero Recovery Index Coupon Credit Linked N&C Securities, Tranche Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities) following the occurrence of a Credit Event, the Credit Linked Securities will either (i) cease to bear interest from the first day of the Coupon Period during which the Credit Event Determination Date occurred if "Accrual of Interest upon Credit Event" is specified as Not Applicable in the applicable Final Terms, or (ii) cease to bear interest from the Credit Event Determination Date if "Accrual of Interest upon Credit Event" is specified as being Applicable in the applicable Final Terms.

In the case of Credit Linked Securities (other than Zero Recovery Basket Credit Linked N&C Securities, Tranche Zero Recovery Basket Credit Linked N&C Securities, Tranche Recovery Index Credit Linked N&C Securities, Tranche Zero Recovery Index Coupon Credit Linked N&C Securities, Tranche Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities), save where the Credit Event Redemption Date is specified to occur on or after the Scheduled Maturity Date or where European Settlement is specified to be applicable in respect of the Credit Event Redemption Date in the relevant Final Terms (**Credit Maturity Redemption**), the Credit Linked Securities may then be early redeemed following a Credit Event which may be prior to their scheduled maturity (described as "American Settlement" in the applicable Final Terms). Where such Credit Maturity Redemption does apply as specified in the applicable Final Terms, then maturity of the Credit Linked Securities may be delayed until the scheduled maturity of the Credit Linked Securities, notwithstanding that this may occur a significant time following the occurrence of the Credit Event and no further interest will be payable in this period. Accordingly investors should review carefully the nature of the relevant Credit Event Redemption Amount and Credit Event Redemption Date and the timing for this, as well as the basis on which these are determined.

Where the Credit Linked Securities provide for physical delivery, the Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions but excluding the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date or (b) assets which the Issuer and/or any Affiliate and/or agent has not received under the terms of any transaction and/or trading position entered into by the Issuer and/or such Affiliate and/or agent to hedge the Issuer's obligations in respect of the Credit Linked Securities. Any such determination may delay settlement in respect of the Credit Linked Securities and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Credit Linked Securities and, in the case of payment of a cash amount, will affect the timing of the valuation of such Credit Linked Securities and as a result, the amount payable on redemption or cancellation. In addition, since the deliverable assets will be issued, guaranteed or insured by the Reference Entity affected by a Credit Event, the value of such assets at the relevant time may be considerably less than would be the case if a Credit Event had not occurred. Prospective investors should review the relevant Conditions and the applicable Final Terms to ascertain whether and how such provisions should apply to the Credit Linked Securities.

The Issuer, the Guarantor (in the case of Guaranteed Securities which are Credit Linked Securities), the Dealer(s) or any of their respective Affiliates may have acquired, or during the term of the Securities may acquire, non-public information with respect to the Reference Entity/Entities that they may not disclose. Prospective investors must therefore make an investment decision based upon their own due diligence and purchase the Credit Linked Securities in the knowledge that non-public information which the Issuer, the Guarantor (if applicable), the Dealer(s) or any of their respective Affiliates may have will not be disclosed to investors. None of the Issuer, the Guarantor, the Dealer(s) or any of their respective Affiliates is under any obligation (i) to review on the Securityholders' behalf the business, financial conditions, prospects, creditworthiness, status or affairs of the Reference Entity/Entities or conduct any investigation or due diligence into the Reference Entity/Entities or (ii) other than as may be required by applicable rules and regulations relating to the Securities, to make available (a) any information relating to the Securities or (b) any non-public information they may possess in respect of the Reference Entity/Entities.

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

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

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

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

Concentration risks in case of Credit Linked N&C Securities referring to a portfolio of Reference Entities

The probability of the occurrence of Credit Events with respect to the Reference Entities in a portfolio may depend on the degree of diversification among the Reference Entities. The composition of the portfolio of Reference Entities may change after the Issue Date. Such change may result in an increase of concentration among the Reference Entities and therefore also in an increase in the risks associated with such concentration.

Amendment of Credit Linked Conditions in accordance with the terms of the Securities

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

In particular, if a Credit Event Determination Date is determined to be on or prior to one or more Coupon Payment Dates that occurred before the date of the relevant Credit Event Notice and the amount of interest that was paid by the Issuer on each such Coupon Payments Date did not take into account the relevant Credit Event, the Calculation Agent may make any adjustments to the Credit Linked Conditions of the Credit Linked Securities to account for the occurrence of such Credit Event. Such adjustments may include a reduction in any amount of interest, the Final Redemption Amount or any other amount payable Securityholders to account for any amounts that would not have been paid by the Issuer had the relevant Credit Event Determination Date been accounted for on the preceding Coupon Payment Date(s).

Risks relating to Auction Settlement of Credit Linked Securities

Auction Settlement

Where Auction Settlement is specified as the applicable Settlement Method in respect of a Series of Securities (for the avoidance of doubt, including where the Securities are Tranching Recovery Index Credit Linked N&C Securities, Tranching Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities) and in each case an Auction Final Price Determination Date occurs, the Auction Final Price will be determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time. The Auction Final Price determined pursuant to an auction may be less than the market value that would otherwise have been determined in respect of the relevant Reference Obligation. The Issuer, the Guarantor and the Securityholders may have little or no influence in the outcome of any such auction.

Auction Final Price and the Issuer's and/or the Guarantor's ability to influence the Auction Final Price

If the Credit Linked Securities are redeemed or cancelled or the Outstanding Nominal Amount (in the case of Tranching Recovery Index Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities) or Interest Calculation Amount (in the case of Tranching Recovery Index Coupon Credit Linked N&C Securities) is reduced, as applicable, following the occurrence of a Credit Event, the amount payable in respect of the Securities or the amount of such reduction in the Outstanding Nominal Amount (by reference to which principal and interest payable is calculated) or Interest Calculation Amount (by reference to which interest payable is calculated) may be determined by reference to the Auction Final Price determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms. There is a possibility that the Issuer, the Guarantors or the Calculation Agent (or one of their Affiliates) would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the Auction Final Price including (without limitation): (a) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the auction; and (b) submitting bids, offers and physical settlement requests with respect to the relevant Deliverable Obligations. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), the Issuer, the Guarantors or the Calculation Agent (or any Affiliate of any of them) shall be under no obligation to consider the interests of any Securityholder.

Zero Recovery Credit Linked Securities

If the relevant Securities are either Zero Recovery Basket Credit Linked N&C Securities, Zero Recovery Single Name Credit Linked N&C Securities, Tranching Zero Recovery Credit Linked N&C Securities, Tranching Zero Recovery Index Coupon Credit Linked N&C Securities or any other type of zero recovery Credit Linked Securities, in the event that a Credit Event Determination Date occurs in respect of any Reference Entity, the loss amount in respect of such Reference Entity will be deemed to be 100 per cent., meaning that any Securityholder will suffer total loss in relation to that Reference Entity. As such, there will be zero recovery for such Credit Event notwithstanding that the debt of the Reference Entity may trade in the market with a recovery value greater than zero. Securityholders should be aware that Credit Events can at times be technical in nature and be triggered even though the financial health of the Reference Entity is strong. Where a Credit Event occurs that is technical in nature, the loss amount in respect of the relevant Reference Entity will nonetheless be deemed to be 100 per cent. notwithstanding the fact that the debt obligations of the Reference Entity may be trading well in excess of zero and in some cases may be above par.

Zero Recovery Basket Credit Linked N&C Securities

If the Credit Linked Securities are Zero Recovery Basket Credit Linked N&C Securities, on the occurrence of a Credit Event in respect of a Reference Entity in the relevant basket (which may or may not be determined by reference to one or more relevant Indices), the N&C Securities will not be redeemed by payment or delivery of any amount or asset and instead the Outstanding Nominal Amount by reference to which interest and amounts payable on redemption of the N&C Securities are calculated, will be reduced proportionately to the weighting of the Reference Entity in the basket and no amounts will be payable to investors in this respect. In such circumstances an investor will suffer total loss of the proportion of its investment attributable to such

Reference Entity (as represented by the relevant Reference Entity weighting) and the N&C Securities will either (i) cease to bear interest on such amount from the first day of the Coupon Period during which the Credit Event Determination Date occurred if "No Accrued" is specified as applicable in the applicable Final Terms, or (ii) cease to bear interest on such amount from the Credit Event Determination Date if "With Accrued" is specified as applicable in the applicable Final Terms. In certain circumstances the amount paid to Securityholders on redemption may be less than their original investment and, if the Outstanding Nominal Amount is reduced to zero, will be zero.

Zero Recovery Single Name Credit Linked N&C Securities

If the Credit Linked Securities are Zero Recovery Single Name Credit Linked N&C Securities, on the occurrence of a Credit Event in respect of a Reference Entity, the obligations of the Issuer in respect of the N&C Securities will be discharged on the relevant Credit Event Redemption Date and no payment or delivery of any amount or asset will be made by the Issuer in respect of such discharge and the Issuer shall have no further liability or obligations in respect of the N&C Securities. In such circumstances an investor will suffer total loss of its investment in the Securities.

Tranched Zero Recovery Credit Linked N&C Securities

If the Credit Linked Securities are Tranched Zero Recovery Credit Linked N&C Securities, an investor is exposed to the credit risk of a certain percentage (the "tranche") of a relevant Index. This means that on the occurrence of a Credit Event in respect of a Reference Entity, the N&C Securities will not be redeemed by payment or delivery of any amount or asset and instead the Outstanding Nominal Amount by reference to which interest and amounts payable on redemption of the N&C Securities are calculated, will be reduced by a reduction amount when the aggregate losses in the Index resulting from Credit Events in respect of one or more Reference Entities exceed a certain percentage (the **Tranche Attachment Level**). Any such loss in respect of a Reference Entity will be equal the relevant Reference Entity weighting and the aggregate reduction to the Outstanding Nominal Amount will be equal to the Calculation Amount multiplied by the amount by which the aggregate losses exceed the Tranche Attachment Level. Accordingly once the Tranche Attachment Level is exceeded, an investor may suffer total loss of the proportion of its investment attributable to such Reference Entity and the N&C Securities will either (i) cease to bear interest on the relevant reduction amount from the first day of the Coupon Period during which the Credit Event Determination Date occurred if "No Accrued" is specified as applicable in the applicable Final Terms, or (ii) cease to bear interest on the relevant reduction amount from the Credit Event Determination Date if "With Accrued" is specified as applicable in the applicable Final Terms.

Once the aggregate losses resulting from Credit Events exceed a higher specified threshold percentage (the **Tranche Detachment Level**) an investor will not receive any further amounts in respect of the Securities (subject, if applicable, to any final accrued interest thereon). In certain circumstances the amount paid to Securityholders on redemption may be less than their original investment and, if the Outstanding Nominal Amount is reduced to zero, will be zero and no amount will be payable.

Investors in the Tranched Zero Recovery Credit Linked N&C Securities are exposed to the tranche of exposure on the Reference Entities which comprise the Index as described above. This position represents a leveraged exposure to credit risk since the size of the aggregate notional amount attributed to the Index may be significantly larger than the aggregate nominal amount of the Tranched Zero Recovery Credit Linked N&C Securities. The value of the Tranched Zero Recovery Credit Linked N&C Securities may be more volatile and credit losses in respect of the Tranched Zero Recovery Credit Linked N&C Securities may be greater than would be the case in the absence of such leverage. The value of the Tranched Zero Recovery Credit Linked N&C Securities may also be adversely affected by changes in the relative value of different tranches of credit risk on the Index. Such relative value changes may occur as a result of, for example, changes in assumptions by market participants to model the credit risk of the Index, correlation between the Reference Entities, as well as changes in the supply of and demand for credit protection in relation to each such tranche.

Tranched Zero Recovery Index Coupon Credit Linked N&C Securities

If the Credit Linked Securities are Tranched Zero Recovery Index Coupon Credit Linked N&C Securities, an investor is exposed, in relation to interest payments under the N&C Securities only, to the credit risk of the tranche of a relevant Index. This means that on the occurrence of a Credit Event in respect of a Reference

Entity, the Interest Calculation Amount by reference to which interest payable in respect of the N&C Securities is calculated, will be reduced by a reduction amount when the aggregate losses in the Index resulting from Credit Events in respect of one or more Reference Entities exceed the Tranche Attachment Level. Any such loss in respect of a Reference Entity will be equal to the relevant Reference Entity weighting and the aggregate reduction to the Interest Calculation Amount will be equal to the Calculation Amount multiplied by the amount by which the aggregate losses exceed the Tranche Attachment Level. Accordingly once the Tranche Attachment Level is exceeded, an investor may suffer total loss of interest on the proportion of its investment attributable to such Reference Entity.

Once the losses resulting from Credit Events exceed the Tranche Detachment Level, an investor will not receive any further amounts of interest in respect of the Securities, notwithstanding that the Securities may remain outstanding until the Maturity Date. In such circumstances, the Issuer's obligations in respect of interest on the N&C Securities will be discharged and the Issuer will have no further liability in respect thereof.

Investors in the Tranching Zero Recovery Index Coupon Credit Linked N&C Securities are exposed to the tranche of exposure on the Reference Entities which comprise the Index as described above. This position represents a leveraged exposure to credit risk since the size of the aggregate notional amount attributed to the Index may be significantly larger than the index calculation amount of the Tranching Zero Recovery Index Coupon Credit Linked N&C Securities. The value of the Tranching Zero Recovery Index Coupon Credit Linked N&C Securities may be more volatile and credit losses in respect of the Tranching Zero Recovery Index Coupon Credit Linked N&C Securities may be greater than would be the case in the absence of such leverage. The value of the Tranching Zero Recovery Index Coupon Credit Linked N&C Securities may also be adversely affected by changes in the relative value of different tranches of credit risk on the Index. Such relative value changes may occur as a result of, for example, changes in assumptions by market participants to model the credit risk of the Index, correlation between the Reference Entities, as well as changes in the supply of and demand for credit protection in relation to each such tranche.

Recovery Credit Linked Securities

If the relevant Securities are either Tranching Recovery Index Credit Linked N&C Securities, Tranching Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities or any other type of recovery Credit Linked Securities, in the event that a Credit Event Determination Date occurs in respect of any Reference Entity, the loss amount in respect of such Reference Entity will be determined by reference to the value of the debt of the Reference Entity in the market, either by reference to the Auction Final Price as set out above, or by reference to the value (described as the "Final Price") of one or more obligations of such Reference Entity selected by the Calculation Agent (see also "Cheapest to deliver" below), determined by reference to quotations from Quotation Dealers.

Tranching Recovery Index Credit Linked N&C Securities

If the Credit Linked Securities are Tranching Recovery Index Credit Linked N&C Securities, an investor is exposed to the credit risk of the tranche of a relevant Index. This means that on the occurrence of a Credit Event in respect of a Reference Entity, investors in the N&C Securities will be exposed to the relevant loss amount (as described under "*Recovery Credit Linked Securities*" above) arising from the Credit Event. The N&C Securities will not be redeemed by payment or delivery of any amount or asset and instead the Outstanding Nominal Amount by reference to which interest and amounts payable on redemption of the N&C Securities are calculated, will be reduced to be equal to the Calculation Amount less (i) the Calculation Amount multiplied by the amount (if any) by which the aggregate loss amounts in the Index resulting from Credit Events in respect of one or more Reference Entities exceed the Tranche Attachment Level and/or (ii) if Incurred Recovery is specified to be applicable in paragraph 34 of the applicable Final Terms, the Calculation Amount multiplied by the aggregate amount (if any) by which the aggregate of the recoveries in the Index resulting from Credit Events in respect of one or more Reference Entities exceeds 100 per cent. minus the Tranche Detachment Level. Once the Tranche Attachment Level is exceeded, an investor will suffer a loss of the relevant loss amount of the proportion of its investment attributable to such Reference Entity (as represented by the relevant Reference Entity weighting) and the N&C Securities will either (i) cease to bear interest on such reduction amount and (if applicable) the reduction reflecting the relevant recovery amount from the first day of the Coupon Period during which the Credit Event Determination Date occurred if "No Accrued" is specified as applicable in the applicable Final Terms, or (ii) cease to bear interest on such reduction

amount and (if applicable) the reduction reflecting the relevant recovery amount from the Credit Event Determination Date if "With Accrued" is specified as applicable in the applicable Final Terms.

Once the losses and (if applicable) recoveries resulting from Credit Events reduce the Outstanding Nominal Amount to zero, the redemption amount payable to an investor in respect of the N&C Securities will be limited to the aggregate recovery amount (if any) and any such amount will not be due until the maturity of the N&C Securities, notwithstanding that this may occur a significant time following the occurrence of the last Credit Event and interest will cease to be payable. In certain circumstances, the amount paid to Securityholders on redemption may be less than their original investment and, if the Outstanding Nominal Amount is reduced to zero, may be zero.

Investors in the Tranche Recovery Index Credit Linked N&C Securities are exposed to the tranche of exposure on the Reference Entities which comprise the Index as described above. This position represents a leveraged exposure to credit risk since the size of the aggregate notional amount attributed to the Index may be significantly larger than the aggregate nominal amount of the Tranche Recovery Index Credit Linked N&C Securities. The value of the Tranche Recovery Index Credit Linked N&C Securities may be more volatile and credit losses and recoveries in respect of the Tranche Recovery Index Credit Linked N&C Securities may be greater than would be the case in the absence of such leverage. The value of the Tranche Recovery Index Credit Linked N&C Securities may also be adversely affected by changes in the relative value of different tranches of credit risk on the Index. Such relative value changes may occur as a result of, for example, changes in assumptions by market participants to model the credit risk of the Index, correlation between the Reference Entities, as well as changes in the supply of and demand for credit protection in relation to each such tranche.

Tranche Recovery Index Coupon Credit Linked N&C Securities

If the Credit Linked Securities are Tranche Recovery Index Coupon Credit Linked N&C Securities, an investor is exposed, in relation to interest payments under the N&C Securities only, to the credit risk of the tranche of a relevant Index. This means that on the occurrence of a Credit Event in respect of a Reference Entity, the Interest Calculation Amount by reference to which interest payable in respect of the N&C Securities is calculated, will be reduced by a reduction amount when the aggregate losses in the Index resulting from Credit Events in respect of one or more Reference Entities exceed the Tranche Attachment Level. Once the Tranche Attachment Level is exceeded, an investor will suffer a loss of interest on the relevant loss amount of the proportion of its investment attributable to such Reference Entity (as represented by the relevant Reference Entity weighting).

Once the losses resulting from Credit Events exceed the Tranche Detachment Level an investor will not receive any further amounts of interest in respect of the Securities, notwithstanding that the Securities may remain outstanding until the Maturity Date. In such circumstances, the Issuer's obligations in respect of interest on the N&C Securities will be discharged and the Issuer will have no further liability in respect thereof.

Investors in the Tranche Recovery Index Coupon Credit Linked N&C Securities are exposed to the tranche of exposure on the Reference Entities which comprise the Index as described above. This position represents a leveraged exposure to credit risk since the size of the aggregate notional amount attributed to the Index may be significantly larger than the aggregate nominal amount of the Tranche Recovery Index Coupon Credit Linked N&C Securities. The value of the Tranche Recovery Index Coupon Credit Linked N&C Securities may be more volatile and credit losses in respect of the Tranche Recovery Index Coupon Credit Linked N&C Securities may be greater than would be the case in the absence of such leverage. The value of the Tranche Recovery Index Coupon Credit Linked N&C Securities may also be adversely affected by changes in the relative value of different tranches of credit risk on the Index. Such relative value changes may occur as a result of, for example, changes in assumptions by market participants to model the credit risk of the Index, correlation between the Reference Entities, as well as changes in the supply of and demand for credit protection in relation to each such tranche.

Market Recovery Basket Credit Linked N&C Securities

If the Credit Linked Securities are Market Recovery Basket Credit Linked N&C Securities, an investor is exposed to the credit risk of the Reference Entities in the relevant basket (which may or may not be determined by reference to one or more relevant Indices). This means that on the occurrence of a Credit Event in respect of a Reference Entity, investors in the N&C Securities will be exposed to the relevant loss amount (as described

under "*Recovery Credit Linked Securities*" above) arising in respect of such Reference Entity from the Credit Event. The Outstanding Nominal Amount by reference to which interest and amounts payable on redemption of the N&C Securities are calculated, will be reduced by an amount equal to the proportion of the investment in the N&C Securities attributable to such Reference Entity (as represented by the relevant Reference Entity weighting), being the Reference Entity Notional Amount. Any such Recovery Amount may be less than the Reference Entity Notional Amount and may be zero. Where American Recovery Amount Settlement applies, an amount (a "Recovery Amount") will be payable to holders on the relevant Interim Recovery Amount Payment Date following the Credit Event, calculated by reference to the Auction Final Price or Final Price in respect of such Reference Entity (each as described above) and the Reference Entity weighting and minus any unwind costs. Where European Recovery Amount Settlement applies, the Recovery Amount will instead be included in the calculation of the Final Redemption Amount and any such amount will not be due until the maturity of the N&C Securities, notwithstanding that this may occur a significant time following the occurrence of the last Credit Event and reduced, or in certain cases no further, interest will be payable in this period.

Accordingly in either such case an investor will suffer loss of an amount of the proportion of its investment attributable to the relevant Reference Entity which is equal to the difference between the Reference Entity Notional Amount and the relevant Recovery Amount and the N&C Securities will either (i) cease to bear interest on the Reference Entity Notional Amount from the first day of the Coupon Period during which the Credit Event Determination Date occurred if "No Accrued" is specified as applicable in the applicable Final Terms, or (ii) cease to bear interest on the Reference Entity Notional Amount from the Credit Event Determination Date if "With Accrued" is specified as applicable in the applicable Final Terms.

In certain circumstances, the amount paid to Securityholders on redemption, together with any previously paid Recovery Amounts where American Recovery Amount Settlement applies, may be less than their original investment and, if the Outstanding Nominal Amount is reduced to zero, may be zero

Credit Event, Succession Event and Successor Backstop Dates

In respect of a Credit Event relating to a series of Credit Linked Securities, a Credit Event may not be triggered unless the relevant event or circumstance that potentially constitutes a Credit Event occurs within 60 calendar days prior to the Notice Delivery Date or a request being submitted to the Credit Determination Committee to determine if a Credit Event has occurred.

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

Settlement Suspension, Adjustments and Interest Provisions

Credit Linked Condition 11 permits the Calculation Agent, at its option and only in the circumstances described in Credit Linked Condition 11 (which includes the circumstances where the Calculation Agent determines that a Credit Event or Potential Credit has or may have occurred or may occur or where a DC Credit Event Question has been submitted to the Credit Derivatives Determinations Committee and no DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Dismissal has been published) to determine that the applicable timing requirements of the N&C Securities Conditions and the Credit Linked Conditions (as determined by the Calculation Agent) shall toll and be suspended and remain suspended (such period of suspension, a **Suspension Period**) until either (i) where Annex 7 applies, such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has resolved (a) that a Credit Event has or has not occurred or (b) not to determine such matters or (ii) where Annex 15 applies, the latest of (a) the relevant Credit Event Determination Date (if any); (b) the date (if any) when the Calculation Agent determines that the relevant Credit Event or Potential Credit Event has not occurred, or (c) if the relevant Credit Event is M(M)R Restructuring, any other date determined by the Calculation Agent. During such suspension period none of the Issuer, the Calculation Agent or any Securityholder are obliged to, nor are they entitled to, take any action in connection with the settlement of the Credit Linked Securities. Following the occurrence of one of the events described in (i) or (ii), the relevant timing requirements of the

N&C Securities Conditions and the Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following the occurrence of such event.

In the event of any such Suspension Period, the Calculation Agent may make (i) such consequential or other adjustment(s) or determination(s) to or in relation to these Credit Linked Conditions as may be desirable or required either during or following any relevant Suspension Period to account for or reflect such suspension and (ii) determine the effective date of such adjustment(s) or determination(s).

In the case of interest bearing Credit Linked N&C Securities, the Issuer shall be obliged to pay interest calculated in accordance with N&C Securities Condition 6 provided that:

- (a) if Suspension of Interest Accrual is specified to be "Applicable in Full" in the applicable Final Terms:
 - (i) if a Suspension Period falls in any one or more Coupon Period(s), then no interest (or any interest on any delayed payment of interest) shall accrue during each portion of a Coupon Period during which a Suspension Period exists; and
 - (ii) if a Coupon Payment Date falls in a Suspension Period, such Coupon Payment Date will be deferred until such date as determined by the Calculation Agent falling no earlier than the first Payment Day and no later than the fifth Payment Day following the end of the Suspension Period; and
- (b) if Suspension of Interest Accrual is specified to be "Applicable to the Suspension Period Reduction Amount Only" in the applicable Final Terms:
 - (i) if a Suspension Period falls in any one or more Coupon Period(s), then with effect from the first day of such Suspension Period, for the purposes of determining the amount of interest that accrues during any such Coupon Period the Interest Calculation Amount or Outstanding Nominal Amount, as applicable, will be reduced by the Suspension Period Reduction Amount; and
 - (ii) if a Coupon Payment Date falls in a Suspension Period, on the relevant Coupon Payment Date, the amount of interest that would otherwise have been payable on such Coupon Payment Date will be reduced to take account of the reduction of the Interest Calculation Amount or Outstanding Nominal Amount, as applicable, pursuant to sub-paragraph (i) above; and
- (c) for the avoidance of doubt, no additional amount of interest will accrue or be payable as a result of any delayed payment of interest.

Regulatory treatment of certain Credit Linked Securities

It is possible that certain Credit Linked Securities may constitute a "securitisation" within the meaning of Regulation 2017/2402/EU (the **EU Securitisation Regulation**) and Regulation 2017/2402/EU as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 and regulations made thereunder (the **UK Securitisation Regulation**) and, if so, the Issuer will rely on the exemption in Article 6(6) of the EU Securitisation Regulation and the UK Securitisation Regulation (as applicable). Investors that are themselves directly subject to regulatory supervision should consider their own regulatory position when investing in Credit Linked Securities.

Risks relating to Swap Rate Linked Interest N&C Securities

Prospective investors should note that the interest payable in respect of Swap Rate Linked Interest N&C Securities is dependent upon the performance of the relevant Swap Rates (subject to any applicable caps and floors specified in respect of the relevant swap rates or the Rate of Interest) and a relatively small movement in the value of the Swap Rates can result in a disproportionately large movement in the price of the N&C Securities.

The absolute level of interest rates and the shape of the yield curve may affect the market value and the interest amounts of Swap Rate Linked Interest N&C Securities. In addition, the steepness of the Swap Rates between the long-end and the short-end, as well as the implied correlation and volatilities of such parts of the Swap Rates will affect, potentially adversely, the market value and the interest payable on Swap Rate Linked Interest

N&C Securities. Additionally, an Administrator/Benchmark Event may occur in respect of the relevant benchmark(s) to which Swap Rate Linked Interest N&C Securities are linked - see "Risks relating to swap rates" above for further information.

In the case of Swap Rate Linked Interest N&C Securities for which Single Swap Rate Determination applies, if the leverage factor (LF) is greater than one, the effect of changes in the level of the Swap Rate on the interest payable in respect of the Swap Rate Linked Interest N&C Securities (and the value of the Swap Rate Linked Interest N&C Securities) will be magnified.

In the case of Swap Rate Linked Interest N&C Securities for which Dual Swap Rate Determination applies, if any of the leverage factors (LF1 and/or LF2 and/or the RPM) is/are greater than one, the effect of changes in the level of the relevant Swap Rate(s) on the interest payable in respect of the Swap Rate Linked Interest N&C Securities (and the value of the Swap Rate Linked Interest N&C Securities) will be magnified.

In the case of Swap Rate Linked Interest N&C Securities for which Dual Swap Rate Outperformance Determination applies, if the leverage factor (RPM) is greater than one, the effect of changes in the level of the Swap Rates on the interest payable in respect of the Swap Rate Linked Interest N&C Securities (and the value of the Swap Rate Linked Interest N&C Securities) will be magnified."

Risks relating to Multi-Rate Interest N&C Securities

Prospective investors should note that the interest payable in respect of Multi-Rate Interest N&C Securities is dependent upon the performance of the relevant floating rate interest rates (the First Rate and the Second Rate) (subject to any applicable caps and floors specified in respect of the weighted rates or the Rate of Interest) and a relatively small movement in the value of those rates can result in a disproportionately large movement in the price of the N&C Securities.

If any of the leverage factors (First Rate Amount and/or Second Rate Amount) is/are greater than one, the effect of changes in the level of the First Rate and/or Second Rate (as applicable) on the interest payable in respect of the Multi-Rate Interest N&C Securities (and the value of the Multi-Rate Interest N&C Securities) will be magnified.

Prospective investors should conduct their own investigations and, in deciding whether or not to purchase Swap Rate Linked Interest N&C Securities, prospective investors should form their own views of the merits of an investment related to the Swap Rates based upon such investigations and not solely in reliance upon any information given in this Base Prospectus.

Risks relating to Preference Share Linked N&C Securities

Risks in Relation to the Preference Shares

A wide range of Preference Share Linked N&C Securities may be issued under the Programme. A number of these Preference Share Linked N&C Securities may have features which contain particular risks for potential investors. Set out below is a description of the most common features for Preference Share Linked N&C Securities linked to Preference Shares.

No claim against any Preference Share or any Reference Item

A Preference Share Linked N&C Security will not represent a claim against any Preference Share or any Reference Item and, in the event of any loss, a Securityholder will not have recourse under a Preference Share Linked N&C Security to any Preference Share or any Reference Item.

General risks and risks relating to Preference Share Linked N&C Securities

Preference Share Linked N&C Securities linked to Preference Shares may involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Purchasers should be prepared to sustain a total loss of the purchase price of the Preference Share Linked N&C Securities. Prospective purchasers of Preference Share Linked N&C Securities should understand the risks of transactions involving the relevant Preference Share Linked N&C Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Preference Share Linked N&C Securities in light of their particular financial circumstances, the information set forth herein and the

information regarding the relevant Preference Share Linked N&C Securities and the particular Preference Shares and Reference Item(s).

Preference Share Linked N&C Securities linked to Preference Shares will represent an investment linked to the economic performance of the Preference Shares which will in turn be linked to the economic performance of one or more specified Reference Item(s) and prospective investors should note that the return (if any) on their investment in such Preference Share Linked N&C Securities will depend upon the performance of the Preference Shares, which will in turn depend upon the performance of such Reference Item(s). Potential investors should also note that whilst the redemption amount of such Preference Share Linked N&C Securities is linked to the market value of Preference Shares which will be influenced (potentially negatively) by the Reference Item(s), any change may not be comparable to a direct investment in the Reference Item(s) and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s), Preference Share Linked N&C Securities represent the right to receive payment of the Final Redemption Amount(s), the value of which will be determined by reference to the market value of the relevant Preference Shares, which depends upon the performance of the relevant Reference Item(s).

As the amounts payable in respect of Preference Share Linked N&C Securities are linked to Preference Shares which are in turn linked to the performance of the relevant Reference Item(s), a purchaser of such a Preference Share Linked N&C Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Item(s). Assuming all other factors are held constant, the lower the value of the Preference Share Linked N&C Securities and the shorter the remaining term to redemption, the greater the risk that purchasers of such Preference Share Linked N&C Securities will lose all or part of their investment.

Preference Share Linked N&C Securities linked to Preference Shares are not principal protected. Investors in Preference Share Linked N&C Securities risk losing their entire investment if the value of the relevant Preference Shares and/or the relevant Reference Item(s) do not move in the anticipated direction.

In accordance with N&C Securities Condition 8.2 (*Redemption for tax reasons*), N&C Securities Condition 8.3, (*Redemption at the option of the Issuer (Issuer Call)*), N&C Securities Condition 8.5 (*Redemption upon a Regulatory Event*), N&C Securities Condition 8.6 (*Redemption for Illegality*), N&C Securities Condition 8.12 (*Adjustment or Redemption following an Administrator/Benchmark Event*) and N&C Securities Condition 11 (*Events of Default and Enforcement*) or if the Issuer receives a notice from the Preference Share Issuer that the relevant Preference Shares are to be redeemed prior to the Maturity Date of the Preference Share Linked N&C Securities (which may occur where specified disruption or other events occur in relation to the Preference Shares and/or the Reference Items(s)), the Preference Share Linked N&C Securities may be subject to early redemption. As noted above, the Early Redemption Amount in this case is determined taking into account the value of the Preference Shares immediately prior to the time of the early redemption of the Preference Share Linked N&C Securities and such Preference Share value in turn may take into account deduction of certain costs of the Preference Share Issuer and also certain costs of issuers and their hedging counterparties in relation to financial products (such as the Preference Share Linked N&C Securities) related to the Preference Shares. **This may mean the value of the Preference Shares and consequently the Early Redemption Amount in respect of the Preference Share Linked N&C Securities, is less, and in some cases significantly less or zero, as a result.**

Fluctuations in the value and/or volatility of the relevant Reference Item(s) will affect the value of the relevant Preference Shares and as a result, the value of the Preference Share Linked N&C Securities. Other factors which may influence the market value of the Preference Shares and as a result, the value of the Preference Share Linked N&C Securities, include interest rates, potential dividend or interest payments (as applicable) in respect of the relevant Reference Item(s), changes in the method of calculating the relevant Reference Item(s) from time to time and market expectations regarding the future performance of the relevant Reference Item(s) and its composition.

The Issuer may but is not required to issue several issues of Preference Share Linked N&C Securities relating to a particular series of Preference Shares linked to a particular Reference Item. At any given time, the number of Preference Share Linked N&C Securities outstanding may be substantial. Preference Share Linked N&C

Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the relevant Preference Shares, as a result of fluctuations in the value of the relevant Reference Item(s).

Risks in Relation to the Reference Item(s)

An investment in Preference Share Linked N&C Securities will entail significant risks not associated with conventional securities such as debt or equity securities. Preference Share Linked N&C Securities will be settled by payment of an amount determined by reference to the performance of the relevant Preference Shares, which depend on the performance of the relevant Reference Item(s). If the value of the Reference Item(s) does not move in the anticipated direction, the performance of the Preference Shares may be negative and thus the value of the Preference Share Linked N&C Securities linked to such Preference Shares will be adversely affected. Purchasers of Preference Share Linked N&C Securities linked to Preference Shares risk losing all or a part of their investment if the market value of the Preference Shares does not move in the anticipated direction.

Early redemption of the Preference Shares

The Preference Share Issuer may early redeem or cancel the Preference Shares if:

- (a) the Preference Share Calculation Agent (as defined below) determines that for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or
- (b) any event occurs in respect of which the adjustment provisions under the terms and conditions of the Preference Shares provide the Preference Shares may be cancelled or redeemed; or
- (c) a change in applicable law or regulation occurs that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Preference Share Issuer to be onerous to it; or
- (d) the Preference Share Issuer is notified that the Preference Share Linked N&C Securities have become subject to early redemption.

If the Issuer receives a notice from the Preference Share Issuer of early redemption of the Preference Shares, the Issuer will notify Securityholders in accordance with N&C Securities Condition 16 and each Preference Share Linked N&C Security shall be redeemed at its Early Redemption Amount.

Risks relating to Index Linked Preference Shares

The Preference Share Linked N&C Securities are dependent upon the performance of the Preference Shares which are in turn dependent on the level of or changes in the level of an index or a basket of indices (**Index Linked Preference Shares**). The index or indices may notionally comprise reference equities, fund shares, bonds, other securities, property, currency exchange rates or other assets or bases of reference, and may be a well-known and widely published index or indices or an index or indices established by the Issuer or another entity which may not be widely published or available. An investment in Preference Share Linked N&C Securities linked to Index Linked Preference Shares will entail significant risks not associated with a conventional security.

Potential investors in Preference Share Linked N&C Securities linked to Index Linked Preference Shares should be aware that, depending on the terms of the Index Linked Preference Shares, payments may occur at a different time than expected and they may lose all or a substantial portion of their investment if the value of the Preference Shares, determined by reference to the value of the index/indices, does not move in the anticipated direction.

In addition, the movements in the level of the index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may adversely affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If amounts payable under the Index Linked Preference Shares are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on the Index Linked Preference Shares will be magnified. This may, in turn, be reflected in the market value of the Index Linked Preference Shares (which will be relevant to calculating the Final Redemption Amount of the Preference Share Linked N&C Securities).

Prospective purchasers should review the Base Prospectus, the relevant Final Terms and the terms and conditions of the relevant Preference Shares to ascertain whether and how adjustment provisions apply to the Preference Shares, the potential for the Preference Shares to be cancelled or redeemed and the effect of such adjustments on the Preference Share Linked N&C Securities.

The market price of Preference Share Linked N&C Securities linked to Index Linked Preference Shares may be volatile and may depend on the time remaining to the redemption date and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities notionally comprising the index or indices may be traded.

Risks relating to Equity Linked Preference Shares

The Preference Share Linked N&C Securities are dependent upon the performance of the Preference Shares which are in turn dependent on the price of or changes in the price of shares or a basket of shares or the price of a GDR/ADR or a basket of GDRs/ADRs (**Equity Linked Preference Shares**). Accordingly, an investment in Preference Share Linked N&C Securities linked to Equity Linked Preference Shares may bear similar market risks to a direct equity investment and investors should take advice accordingly. An investment in Preference Share Linked N&C Securities linked to Equity Linked Preference Shares will entail significant risks not associated with a conventional security.

Potential investors in Preference Share Linked N&C Securities linked to Equity Linked Preference Shares should be aware that, depending on the terms of the Equity Linked Preference Shares, payments may occur at a different time than expected and they may lose all or a substantial portion of their investment if the value of the Equity Linked Preference Shares, which is determined by reference to the value of the share(s), does not move in the anticipated direction.

In addition, the movements in the price of the share or basket of shares may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the share or shares may adversely affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the share or shares, the greater the effect on yield.

If amounts payable under the Equity Linked Preference Shares are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the share or shares on the Equity Linked Preference Shares will be magnified. This may, in turn, be reflected in the market value of the Equity Linked Preference Shares (which will be relevant to calculating the Final Redemption Amount of the Preference Share Linked N&C Securities).

Prospective purchasers should review the Base Prospectus, these Final Terms and the terms and conditions of the Preference Shares to ascertain whether and how adjustment provisions apply to the Preference Shares, the potential for the Preference Shares to be cancelled or redeemed and the effect of such adjustments on the Preference Share Linked N&C Securities.

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

Generally no issuer of the relevant share(s) will have participated in the preparation of the Final Terms or in establishing the terms and conditions of the Equity Linked Preference Shares and none of the Issuer or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares or in the documents from which such information was extracted.

Consequently, not all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of any publicly available information) that would affect the trading price of the share will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the share and therefore the value of the Equity Linked Preference Shares, and therefore the value of the Preference Share Linked N&C Securities.

Holders of Preference Share Linked N&C Securities linked to Equity Linked Preference Shares will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Preference Shares relate.

Prospective purchasers should review the Base Prospectus, the relevant Final Terms and the terms and conditions of the relevant Preference Shares to ascertain whether and how adjustment provisions apply to the Preference Shares, the potential for the Preference Shares to be cancelled or redeemed and the effect of such adjustments on the Preference Share Linked N&C Securities.

Risks relating to Preference Share Linked N&C Securities linked to Commodity Linked Preference Shares

The Preference Share Linked N&C Securities are dependent upon the performance of the Preference Shares which are in turn dependent on the price or changes in the price of commodities, basket of commodities, a commodity index or basket of commodity indices (**Commodity Linked Preference Shares**). Accordingly, an investment in Preference Share Linked N&C Securities linked to Commodity Linked Preference Shares may bear similar market risks to a direct commodity investment and investors should take advice accordingly. An investment in Preference Share Linked N&C Securities linked to Commodity Linked Preference Shares will entail significant risks not associated with a conventional security.

Potential investors in Preference Share Linked N&C Securities linked to Commodity Linked Preference Shares should be aware that, depending on the terms of the Commodity Linked Preference Shares, payments may occur at a different time than expected and they may lose all or a substantial portion of their investment if the value of the Commodity Linked Preference Shares, which is determined by reference to the value of the commodity(ies) or commodity index(ices), does not move in the anticipated direction.

In addition, the movements in the price of the commodity(ies) or commodity index(ices) may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the commodity(ies) or commodity index(ices) may adversely affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or level of the commodity(ies) or commodity index(ices), the greater the effect on yield.

If amounts payable under the Commodity Linked Preference Shares are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price or level of the commodity(ies) or commodity index(ices) on the Commodity Linked Preference Shares will be magnified. This may, in turn, be reflected in the market value of the Commodity Linked Preference Shares (which will be relevant to calculating the Final Redemption Amount of the Preference Share Linked N&C Securities).

The market price of Preference Share Linked N&C Securities linked to Commodity Linked Preference Shares may be volatile and may be affected by the time remaining to the redemption date, the volatility of the commodity(ies) or commodity index(ices) as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such commodity(ies) may be traded.

Prospective purchasers should review the Base Prospectus, the relevant Final Terms and the terms and conditions of the relevant Preference Shares to ascertain whether and how adjustment provisions apply to the Preference Shares, the potential for the Preference Shares to be cancelled or redeemed and the effect of such adjustments on the Preference Share Linked N&C Securities.

Risks relating to Preference Share Linked N&C Securities linked to Fund Linked Preference Shares

The Preference Share Linked N&C Securities are dependent upon the performance of the Preference Shares which are in turn dependent on the price or changes in the price of an exchange traded fund share or unit or a basket of exchange traded fund shares or units (**Fund Linked Preference Shares**). Accordingly, an investment in Preference Share Linked N&C Securities linked to Fund Linked Preference Shares may bear similar market risks to a direct fund investment and investors should take advice accordingly. An investment in Preference Share Linked N&C Securities linked to Fund Linked Preference Shares will entail significant risks not associated with a conventional security.

Potential investors in Preference Share Linked N&C Securities linked to Fund Linked Preference Shares should be aware that, depending on the terms of the Fund Linked Preference Shares, payments may occur at a different time than expected and they may lose all or a substantial portion of their investment if the value of the Fund Linked Preference Shares, which is determined by reference to the value of exchange traded fund share(s) or unit(s), does not move in the anticipated direction.

In addition, the movements in the price of exchange traded fund share(s) or unit(s) may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the exchange traded fund share(s) or unit(s) may adversely affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the exchange traded fund share(s) or unit(s), the greater the effect on yield.

If amounts payable under the Fund Linked Preference Shares are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the exchange traded fund share(s) or unit(s) on the Fund Linked Preference Shares will be magnified. This may, in turn, be reflected in the market value of the Fund Linked Preference Shares (which will be relevant to calculating the Final Redemption Amount of the Preference Share Linked N&C Securities).

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

Prospective purchasers should review the Base Prospectus, the relevant Final Terms and the terms and conditions of the relevant Preference Shares to ascertain whether and how adjustment provisions apply to the Preference Shares, the potential for the Preference Shares to be cancelled or redeemed and the effect of such adjustments on the Preference Share Linked N&C Securities.

The market price of Preference Share Linked N&C Securities linked to Fund Linked Preference Shares may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of fund share(s) or unit(s). The price of fund share(s) or unit(s) may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units in the fund or funds may be traded.

9. Risks relating to specific product types which may be issued under the Programme

Set out below are certain specific risks that relate to particular types and structures of Securities which may be issued under the Programme. Any series of Securities may incorporate different components of each of the specific types of Securities described below and of other types of Securities described in this Base Prospectus and/or, in the case of Exempt Securities only, in the applicable Final Terms. This "*Risks relating to specific product types which may be issued under the Programme*" section should be read as an introduction to certain types of Securities to provide a greater understanding of the risks set out below and elsewhere in these "*Risk Factors*" and the descriptions in this "*Risks relating to specific product types which may be issued under the Programme*" section should be read in conjunction with the section "*Terms and Conditions of the N&C Securities*" or "*Terms and Conditions of the W&C Securities*", as applicable, and the applicable Final Terms.

Securities with principal protection

In relation to principal protected N&C Securities, principal protection only applies where such N&C Securities remain outstanding and are held until the Maturity Date. The principal amount of the N&C Securities is to be repaid at maturity in accordance with the terms and conditions of the N&C Securities. However, the ability of the Issuer to make payment of principal at maturity depends on the Issuer's ability to meet its obligations under

the N&C Securities. In addition if an early redemption of the N&C Securities occurs in other circumstances, no principal protection will apply.

Principal protected N&C Securities can be linked to a range of Reference Items or a combination of them and at maturity will as a minimum pay out the full or a specified percentage of the original capital invested regardless of the performance of the relevant Reference Item(s) during the lifetime of the Security. In general a principal protected N&C Security will not perform as well as an unprotected N&C Security if the market goes up. The actual return will depend on the performance of the relevant Reference Item(s) as well as on the payoff profile as set out in the relevant documentation.

The simplest principal protected N&C Securities structure will pay out an amount above the principal protected level linked directly to the performance of the relevant Reference Item(s). The participation in the performance of the Reference Item(s) (above the principal protected level) might be capped or adjusted to a pre-set participation factor which can be less than 100 per cent.

Securities with no principal protection

Investors investing in W&C Securities, or N&C Securities with no principal protection at maturity or settlement, may fully participate in a downturn of the relevant Reference Item(s) and may lose up to 100 per cent. of the initial investment. The upside return profile of W&C Securities or non-principal protected N&C Securities can be similar to principal-protected N&C Securities but often perform better, generally due to higher participations or higher caps. The potential return profiles include linear upside with or without a pre-set maximum redemption or settlement amount as well as the return profiles described above. The downside nature of not having principal protection may be, but is not limited to, the below examples:

- (a) The Securities can have full, partial or leveraged participation in the downside performance of the Reference Item(s). This means that the Securities can have a lower or higher relative value than the Reference Item(s).
- (b) N&C Securities may provide for conditional principal protection which means that there is principal protection (full or in a specified percentage) as long as certain conditions are met. An example of a condition is that the Reference Item(s) shall be trading above a certain level on the relevant observation dates. If the conditions are not met, the Securities can have full or leveraged exposure to the Reference Item(s) on the downside performance. Conditional principal protection could also be in the form of having exposure to downside performance of the Reference Item(s) until a pre-set performance level is reached on the relevant observation dates after which the Security is principal protected at maturity or settlement.

Return profiles

Set out below is a non-exhaustive, indicative list of certain types of products, product features and cash-flows that may be provided under this Programme. Any such products may be Principal Protected Securities (in the case of N&C Securities only) or non-Principal Protected Securities, as specified in the applicable Final Terms. For the avoidance of doubt, Securities may contain similar, identical or different features to those below and be referred to by other names. For the purposes of this section ("*Return profiles*") the term "**reference assets**" should be read as to include both reference assets and any other relevant reference bases.

Magnum Securities are Securities linked to the performance of a basket of reference assets. A pre-defined performance cap will be applied to each basket constituent when calculating the total basket performance. As a result, the basket performance cannot exceed the performance cap and if one or more basket constituents perform above such cap this upside will not be taken into account when calculating the basket performance. As a result of such performance cap, the return to holders may be less than would have been the case if the performance cap had not applied.

Fixed Best Securities are Securities linked to the performance of a basket of reference assets. When calculating the basket performance, the performance of the best-performing one or more basket constituents (as specified in the applicable Final Terms) will be disregarded and replaced by a pre-defined performance level which can be higher or lower than the actual performance. Should the best performing basket constituent(s) trade above the predefined performance level then such upside will not be taken into account

when calculating the basket performance and the return on the Securities will be less than would have been the case had such an upside performance been taken into account.

Ladder (or Lock-in) Securities are Securities linked to the performance of the reference asset(s). The final redemption or cash settlement amount of the Securities will be linked to the development of the performance of the reference asset(s) and whether certain pre-set performance levels have been met or exceeded on any of the observation dates. The payout can be based on the maximum between the performance level of the reference asset(s) at maturity and the performance levels reached by the reference asset(s) on the relevant observation dates, or just be linked to the maximum performance level reached by the reference asset(s) on the relevant observation dates hence giving the investor the opportunity of locking in a better performance than realised at maturity. However, if such pre-set performance levels are not met or exceeded, as described above, then the return to investors may be less than would otherwise have been the case.

Asian Call Securities are Securities linked to the performance of the reference asset(s). Payments under Asian Call Securities are linked to the average price of the reference asset(s) observed at predefined dates. The calculation of the redemption or cash settlement amount is based on the average of the closing levels of the reference asset(s) on such averaging dates as well as on the final valuation date. This will mean that the redemption or cash settlement amount will be different than that of a security whose redemption or cash settlement amount is only based on the closing level of the reference asset(s) on the final valuation date. Such averaging can protect the returns of the Security should the reference asset(s) fall in value immediately prior to the final valuation date but will result in lower returns if the reference asset(s) continually increases in value up to the final valuation date. A floor added to the Asian Call Securities (**Floored Asian Call Securities**) aims to reduce the downside risk for investors if the floor is below the initial level of the reference asset(s) (in which case it is not principal protected) and to provide a minimum redemption or cash settlement amount if the floor is above the initial level of the reference asset(s). However, investors should review carefully the terms of Securities to determine if any such floor feature applies and if it does not, then this protection will not be available.

Outperformance Securities are Securities linked to the performance of two reference assets (or two baskets of reference assets). At maturity, they pay the positive difference of the performance between two reference assets. Thus, for a Security paying the outperformance of asset A over asset B (where asset A and asset B may also be baskets of reference assets), investors receive the difference in performance at maturity only if the final performance of asset A is greater than the one of asset B. The redemption payment at maturity or cash settlement amount at exercise is therefore to some extent market neutral, since even if both assets trade below their initial levels, investors can still receive a payout above zero provided that asset A performs better than asset B. However, if the final performance of Asset A is equal to or less than that of Asset B, then the investment return on the Securities may be significantly less or zero.

Memory Coupon Securities are Securities linked to the performance of a basket of reference assets. The Memory Coupon Security pays fixed interim amounts if certain predetermined market conditions are realised at the relevant observation dates, e.g. all basket constituents trade above a specified barrier. If at a certain observation date, the pre-determined market condition is not met and no interim amounts will be paid, these "missed" interim amounts will be paid on the first following observation date where the predetermined condition is met. A freezer feature can be added (**Memory Coupon Freezer Securities**). If on any of the observation dates, a fixed number of constituents trade above a specified barrier, which is usually at a higher level than the first barrier, the freezer feature comes into effect, which locks in future interim payments at a predefined rate until maturity regardless of the future performance of the constituents. However, if such predetermined market conditions are not met as described above, then the return on the Securities may be significantly reduced or may be zero.

Podium Securities are Securities linked to the performance of a basket of reference assets. The Podium Securities may pay annual interim amounts, which are determined by reference to the number of underlying assets that have closed above a pre-defined level at the relevant observation dates and a pre-determined table of possible payments. Underlying assets may not close above the relevant pre-defined levels and in this case, such annual interim amounts may be significantly reduced or may not arise.

Digital Securities are Securities linked to the performance of the reference asset(s). They offer pre-determined interim amounts only if the reference asset(s) have fulfilled certain criteria on the relevant observation date.

The interim amounts can be paid during the life of the Security or at maturity as outlined in the applicable Final Terms which may be by reference to positive or negative performance. If the reference asset(s) have not fulfilled such criteria, then the return on the Securities may be significantly reduced.

Range Accrual Securities are Securities which may pay interim amounts linked to the performance of the reference asset(s) that accrues only on days during a preset period on which the performance of one or more of the reference asset(s) is within a certain pre-determined range or ranges, or, if "Single Rate Observation Date" is specified as applicable, will only accrue for a coupon period if the relevant reference asset(s) are within the specified range(s) of the relevant rate observation date for such period. Consequently, (i) if "Single Rate Observation Date" is not specified as applicable, the interim amounts payable will be lower where the performance of the relevant reference asset(s) was trading outside the relevant pre-determined range for each such reference asset during such interim amounts period (dependent on the amount of days each such reference asset is outside the relevant pre-determined range) and (ii) if "Single Rate Observation Date" is specified as applicable, interim amounts will only be payable in respect of a coupon period if the performance of the relevant reference asset(s) was trading inside the relevant pre-determined range for each such reference asset on the relevant rate observation date, and otherwise no interim amount will be paid in respect of such coupon period notwithstanding the fact that such reference asset(s) may have traded within the relevant pre-determined range(s) on other days during such coupon period). The market value of the Securities may be adversely affected by rising implied volatility of the reference asset(s) or movements in the performance of such reference asset(s) which indicate that the performance of the reference asset(s) will be outside the pre-determined range(s) during a relevant period or on any relevant rate observation date. The market value of the Securities will also be affected by the absolute amount of interim amounts payable on the Securities.

Bonus Securities are Securities linked to the performance of one or more reference asset(s). The Bonus Securities have two special features: a bonus and a barrier. The barrier is fixed in advance and will be specified in the applicable Final Terms as a level below the initial level of the reference asset(s). The bonus is a minimum redemption or cash settlement amount that is fixed before the Security is issued and is usually set above the original issue price. The bonus represents a repayment of capital and a minimum return. However, investors only benefit from the bonus feature if the reference asset(s) trades above the preset barrier throughout the life of the Securities. As long as the reference asset never reaches or breaches the barrier, the bonus feature applies and investors benefit at maturity from any positive performance of the reference asset, with a minimum redemption or cash settlement amount equal to the bonus. The bonus feature is deactivated if the reference asset touches the barrier. The return on the Securities then depends only on the price of the reference asset at maturity, with no minimum redemption or cash settlement amount. As a result the investor will fully participate in a downturn. If the price of the reference asset(s) falls during the life of the Security, the invested capital is not protected and the investor may lose up to 100 per cent. of the initial investment. Where the reference asset(s) is equity, investors do not benefit from any dividends paid to direct investors in the reference asset(s).

Reverse Convertible Securities are Securities linked to the performance of the reference asset(s). Reverse Convertible Securities provide fixed interim payments (irrespective of the performance of the reference asset(s)). The redemption amount on maturity or cash settlement amount on exercise, however, depends on the price of the reference asset(s) on the relevant observation date(s). If the reference asset(s) on the relevant observation date or during the relevant observation period has traded at or above a preset level investors receive the principal invested. If the reference asset(s) has traded below the pre-set level during the relevant observation period, investors fully participate in a downturn and may lose up to 100 per cent. of the initial investment or they may receive delivery of the physical reference asset(s) instead of any principal. In case of a physical delivery any remaining fractional amount may be settled by means of cash payment if so indicated in the applicable Final Terms.

Auto-callable Securities may be automatically redeemed prior to the maturity date if certain conditions are met, e.g. if the value(s) of the reference underlying(s) reaches a pre-determined level on the relevant observation date(s) or during the relevant observation period(s). Upon such automatic early redemption the Securityholders typically receive the redemption proceeds plus an additional amount that may be linked to the value of the reference underlying(s). Securityholders may have to wait longer than expected for the return of their redemption proceeds if the reference underlying(s)' performance is less favourable than expected.

Discount Securities are Securities linked to the performance of one or more reference asset(s). When purchasing Discount Securities the investor benefits from a discount compared to the market price of the reference asset(s). However, in turn for the discount the participation in the upside performance of the reference asset(s) is capped. If the reference asset(s) is trading at or above a preset cap on maturity or exercise, the redemption or cash settlement amount will be equal to the cap. If the reference asset(s) is trading below the cap on maturity or exercise, the redemption or cash settlement amount will be determined by reference to the performance of the reference asset(s). The higher the cap, the greater the maximum possible yield will be, but this will also result in less of a discount and as a result a slimmer cushion against the risk of falling prices. A lower cap, on the other hand, means less upside potential, but a lesser risk of losing the invested capital. Discount Securities are not capital protected and the investors may lose up to 100 per cent. of their investment.

Leveraged Securities are Securities linked to the performance of one or more reference asset(s). Leveraged Securities offer investors enhanced participation in the upside or downside performance of the reference asset(s) by way of leverage. Securities with a leverage feature have a leveraged exposure to the underlying reference asset(s) and as such (i) any movement in the value of the reference asset(s) will cause a greater movement in the value of the Securities, which will result in greater gains or losses for the investor than if the investment had been in the reference asset(s) and had not been leveraged and (ii) any movement in the value of the reference asset(s) will cause a greater movement in amounts payable under the Leveraged Security than if a security linked to such reference asset(s) were not leveraged. There is an increased risk with Leveraged Securities that the investor may lose all of its initial investment.

FX Linked Securities are securities that have an interest and/or redemption or cash settlement amount, as applicable, that is linked to an exchange rate or basket of exchange rates and may have other return features such as Knock-In or Knock-Out features. Foreign exchange rates can be extremely volatile and their performance may impact in an adverse way the performance of the Securities.

Floating Rate Securities pay interim amounts linked to a variable rate such as EURIBOR, SOFR, SONIA, €STR or SARON. Floored Floating Rate N&C Securities pay the same interest but subject to a minimum interest rate (irrespective of whether the variable rate falls below the minimum interest rate). The absolute level of variable rates and the shape of the variable rate yield curve may affect both the current level of the interest and the market value of the Securities.

CMS or Constant Maturity Swap linked Securities pay interim amounts linked to a variable rate, the tenor of which remains constant, by resetting it at regular intervals. The absolute level of variable rates and the shape of the variable rate yield curve (a flatter curve is likely to lead to a reduction in the market value of such Securities) may affect both the current interim amounts payable and the market value of the Securities.

Steeper Securities may pay interim amounts linked to the difference between two points or reference rates on a variable rate yield curve, typically on a leveraged basis. As the variable rate yield curve steepens the spread between the two reference rates increases and so does the interest. Conversely a flattening of the curve will reduce the interim amounts payable (as the spread between the reference rates decreases) potentially to zero where the curve flattens or completely inverts.

The market value of Steeper Securities is sensitive to movements in the shape of the variable rate yield curve (as measured by the difference between the two reference swap rates) to and beyond the specified maturity of the Securities and the absolute amount of interim amounts payable on the Securities. The performance of such variable rate yield curve cannot be predicted and may impact significantly and potentially adversely the return on the Securities.

Callable Securities may be redeemed prior to their maturity date at the option of the Issuer. If the Securities are redeemed prior to their scheduled maturity date, it is likely that Securityholders may not be able to reinvest the redemption proceeds from the Securities at an equivalent rate to that earned to date, or anticipated to be earned, on the Securities. Conversely, the Securities may not be redeemed by the Issuer in the cases where market conditions have led to a decline in the value of the Securities.

Inverse Floating Rate Securities may pay interim amounts which is inversely proportional to the level of the variable rate (e.g. by providing that the interim amount is equal to a fixed rate less a variable rate) and may be zero in circumstances where the variable rate is high. The market value of an Inverse Floating Rate Security

may be adversely affected by factor such as, but not limited to, steepening of the variable rate yield curve, rising levels of the relevant variable rate and the volatility of the relevant variable rate.

Target Redemption Securities typically redeem automatically prior to their scheduled maturity date if a specified target amount of interest has been paid to Securityholders. This feature tends to shorten the term of the Securities if the performance of the reference underlying(s) is more favourable, or lengthen the term of the Securities if performance of the reference underlying(s) is less favourable. Securityholders are therefore at risk that, if the performance of the reference underlying(s) is less favourable than expected, they may have to wait longer than expected for the return of their redemption proceeds.

Switchable Securities give the Issuer the option to change the interim payment structure at certain specified exercise dates. Since the Issuer will tend to exercise the switch option when the rate of the new interim payment structure is lower than the old structure, this may lead to a Securityholder receiving a lower interim payment after the exercise of the switch.

Multi-tranche Securities give the Issuer the option to issue a pre-agreed number of additional tranches, increasing the total nominal amount borrowed on the tranche exercise date(s) by predetermined amount(s) at pre-determined terms and issue prices. If the Issuer exercises any such option the Securityholders will be obligated to subscribe to this new nominal amount issuance in full, requiring liquidity to cover the proceeds outflow. Each Securityholder is exposed to the risk that the option to issue an additional tranche will be exercised in cases where market conditions have led to a fall in the value of the newly issued tranche below the pre-agreed issue price.

Algorithm Linked Securities pay interim amounts that is calculated by reference to the performance of an algorithm. The redemption or cash settlement amount may also be linked to the performance of the algorithm. The performance of such algorithms may be published or tracked as an index. However, a particular algorithm may not achieve its stated investment objective. Each algorithm has been constructed on the basis of certain historically observed trends, correlations or assumptions which may not be realised during the term of any transaction referencing such algorithm. In these circumstances, its performance and the performance and market value of the Securities may be significantly adversely affected. The absolute level of the interim amounts and the market value of Algorithm Linked Securities will also depend on the performance or level of the various variables that feed into the algorithm.

Short Price Payout Securities may be linked to the performance of an equity, an index or a basket of equities or indices. The return on Short Price Payout Securities will typically be linked inversely to the performance of the reference asset. Accordingly if the value of the reference asset increases, the return on the Short Price Payout Securities is likely to decrease. If the value of the reference asset decreases, the return of the Short Price Payout Securities is likely to increase.

Market Access Securities are intended to enable investors to participate in the performance of one or more reference asset(s), typically shares, and the dividends paid thereon. The final redemption or cash settlement amount of the Securities will be calculated as an amount equal to the sum of:

- (i) either (A) the value of the reference asset at maturity or exercise, as applicable, or (B) the volume weighted average price at which a hypothetical investor could have sold the relevant amount of the reference asset(s) during a specified period ending on such day which the Calculation Agent determines is the day on which such hypothetical investor could have completed such sale (which volume weighted average price is likely to be different to the volume weighted average price of all transactions in the relevant share on the relevant exchange during such period) (such value or volume weighted average price, as applicable, the **Final Reference Asset Price**); and
- (ii) a fixed percentage of the aggregate amount of all gross cash dividends which would have been received by a holder of record of one or more of the reference asset(s) during a specified period, which is typically over the term of the Securities, and, where the Final Reference Asset Price is calculated on the basis of the volume weighted average price, less any costs and expenses (including, but not limited to, any capital gains tax or withholding tax) which would be required to be paid, withheld or deducted by or on behalf of the hypothetical investor if it held or sold the relevant reference asset(s) (the **Settlement Net Yield**).

Alternatively, the final redemption or cash settlement amount of the Securities might be linked to the performance of the reference asset(s) over the term of the Securities and dividends received during the relevant specified dividend period may instead be paid out in form of a coupon or additional amount under the Securities after receipt thereof (less taxes and other costs). Accordingly, the return on the Securities will be significantly affected by the performance of the reference asset(s) and these may perform in a way that will adversely affect the return on the Securities.

An additional amount may be added to the Final Reference Asset Price and the Settlement Net Yield if the Securities are specified in the applicable Final Terms as being **Outperformance Market Access Securities**. Such additional amount (the **Outperformance**) may be calculated as a fixed percentage of either (i) the Issue Price per Security or (ii) the arithmetic average of the price of the reference asset(s) during a specified period, typically from the initial valuation date to the final valuation date of the Securities. An amount may be deducted from the Final Reference Asset Price and the Settlement Net Yield if the applicable Final Terms provide for the deduction of any fees. The deduction of any such amounts will reduce the investment return on the Securities.

If the Securities are linked to a basket of reference assets the final redemption or cash settlement amount of the Securities may be determined by reference to the weighted performance of all the reference assets in the basket, calculated by (i) multiplying (a) the sum of the Final Reference Asset Price and the Settlement Net Yield, less any relevant fees (if so specified in the applicable Final Terms) for each reference asset in the basket by (b) the number of shares of each such reference asset, (ii) aggregating these amounts for all of the reference assets in the basket, (iii) dividing such aggregated amount by the aggregate number of reference assets in the basket and (iv) if the Securities are specified in the applicable Final Terms as being Outperformance Market Access Securities, adding the Outperformance to such resulting amount. Accordingly, the Securities will be significantly affected by the performance of the reference assets in the basket, and poor performance will adversely affect the return on the Securities.

Composite is a currency feature for Securities where the underlying asset is not denominated (or most closely associated with) in the settlement currency of such Security. Where the Composite feature is applicable, observations of the relevant underlying asset (including, but not limited to, the strike price and the final price) is determined in the settlement currency of the Security by converting the level of the underlying asset into the settlement currency of the Security at the relevant foreign exchange spot rate as of the relevant valuation day. The Composite feature means that the amounts to be paid under the Security depend, in addition to the performance of the underlying asset and any other factors used to determine the amount to be paid, as the case may be, on the foreign exchange rate fluctuations between the settlement currency of the Security and the currency in which the underlying asset is denominated (or with which the underlying asset is most closely associated). This means that any amount to be paid in respect of the Security may be materially different from a Security without such Composite feature, and may be zero in cases where a Security without the Composite feature would have paid a positive amount.

As an example; a Security whose amount to be paid is equal to the performance of the underlying asset floored at zero, would have an amount paid that is less than the amount paid by an equivalent Security without such Composite feature, should the currency of the underlying asset depreciate relative to the settlement currency of the Security during the relevant observation period. For instance, in such an example, should the currency of the underlying asset depreciate relative to the settlement currency of the Security such that the performance of the underlying asset as measured in the settlement currency of the Security is less than or equal to zero, then the amount to be paid under the Security with the composite feature would be zero. Conversely, in such an example, appreciation of the currency in which the underlying is denominated versus the settlement currency of the Security, could mean that the amount to be paid is higher for a Security with such Composite feature than for a Security without such feature. This is an example only and may or may not correspond to the terms of any Securities issued under the Programme. Investors should carefully consider the details of the Conditions and applicable Final Terms in respect of any Series of Securities in addition the risk factors set out in this "*Risk Factors*" section and all the information contained elsewhere in this Base Prospectus. If such currencies do not perform in this way then the return on the Securities will be less than would otherwise have been the case.

In addition, Securities may include one or more of the following features relating to upside or downside payoff profile:

- **Knock-In**

A Knock-In event occurs when the price or level of the reference asset(s) reaches or breaches a pre-defined barrier on a relevant observation date(s) or during a relevant observation period(s), which triggers a certain payout on maturity or exercise (as applicable) and/or interim payment(s). Any such knock-in event may not occur and if it does not, then the relevant pay-out will not be made.

- **Knock-Out**

A Knock-Out event occurs when the price or level of the reference asset(s) reaches or breaches a pre-defined barrier, which triggers the deactivation of a certain payout on maturity or exercise (as applicable) and/or interim payment(s). If such a knock-out then occurs, then investors will not receive such relevant pay-out.

- **Best profile**

The payments of Securities that are linked to more than one reference asset can be determined in relation to the set of weights that gives the greatest performance. However, investors should review carefully the terms of the Securities to determine whether any such feature is available and, if it is not, then the return on the Securities may be less than would have otherwise been the case.

- **Worst profile**

The payments of Securities that are linked to more than one reference asset can be determined in relation to the set of weights that gives the lowest performance. Investors should note that the return on the Securities will be less than would have been the case if reference assets other than those with the lowest performance had been used to determine the pay-out.

- **Contingent interim payments**

Interest amounts (in the case of N&C Securities) or Additional Amounts (in the case of W&C Securities) may depend on the satisfaction of one or more conditions or contingencies, including the performance of a Reference Item. If such condition(s) or contingency(ies) are not satisfied the relevant payment may be zero, all as set out in the applicable Final Terms.

- **Contingent final payments or deliveries**

The Final Redemption Amount or Entitlement (in the case of N&C Securities) or Cash Settlement Amount or Entitlement (in the case of W&C Securities) may depend on the satisfaction of one or more conditions or contingencies, including the performance of a Reference Item. If such condition(s) or contingency(ies) are not satisfied the relevant payment or delivery may be zero, all as set out in the applicable Final Terms.

In instances where the reference asset(s) is a basket of constituents, the basket performance can be calculated as the weighted average or with pre-set weights depending on the relative performance of the constituents ("Best Profile" and "Worst Profile" are examples of this).

Set out in the "*Investment Considerations*" section is a non-exhaustive, indicative list of certain types of products, product features and cash-flows that may be provided under this Programme. Investors should refer to such list for important information on specific product types which may be issued under the Programme. Any such products may be Principal Protected Securities (in the case of N&C Securities only) or non-Principal Protected Securities, as specified in the applicable Final Terms. Investors should be aware that investing in such products carries a high degree of risk, including in particular the risk of losing a substantial amount of, all of or more than the amount of the initial investment.

Risks relating to Securities in Renminbi

Securities may be issued under the Programme denominated in Renminbi (**Renminbi Securities**). An investment in Renminbi Securities involves particular risks, including:

Renminbi is not completely freely convertible; there are still significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Securities

Renminbi is not completely freely convertible at present. The government of the PRC (the **PRC Government**) continues to regulate conversion between Renminbi and foreign currencies despite significant reduction over the years by the PRC Government of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Currently, participating banks in Hong Kong and a number of other jurisdictions (the **Applicable Jurisdictions**) have been permitted to engage in the settlement of Renminbi current account trade transactions.

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

Although from 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the People's Bank of China (**PBoC**) in 2018, the PRC Government may not liberalise control over crossborder remittance of Renminbi in the future and new regulations in the PRC may be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Renminbi Securities.

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

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

The PBoC has established a Renminbi clearing and settlement mechanism for participating banks in the Applicable Jurisdictions through settlement agreements on the clearing of Renminbi business with certain banks (each a **CNY Clearing Bank**) to act as the CNY clearing bank in the Applicable Jurisdiction. However, the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. The relevant CNY Clearing Bank only has access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant CNY Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

The offshore Renminbi market is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of investment in the Renminbi Securities. To the extent that the Issuer is required to source Renminbi outside the PRC to service the Renminbi Securities, it may not be able to do so on satisfactory terms, if at all.

If the Issuer is unable to source such Renminbi, the Issuer's obligation to make a payment in Renminbi under the terms of the Renminbi Securities may be replaced by an obligation to pay such amount in U.S. dollars if "CNY Currency Event" is specified as applicable in the applicable Final Terms. The value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market place.

An investment in Renminbi Securities is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, the PBoC implemented changes to the way it calculates the Renminbi's daily midpoint against the U.S. dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of Renminbi against other currencies. All payments of interest and principal will be made with respect to Renminbi Securities in Renminbi unless otherwise specified. As a result, the value of the Renminbi payments in U.S. dollar or other foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other applicable foreign currencies, the value of an investor's investment in U.S. dollar or other applicable foreign currency will decline.

An investment in Renminbi Securities is subject to interest rate risks

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. The Renminbi Securities may carry a fixed interest rate. Consequently, the trading price of such Renminbi Securities will vary with fluctuations in interest rates. If a holder of Renminbi Securities tries to sell any Securities before their maturity, they may receive an offer that is less than the amount invested.

Where CNY Currency Event is specified as applicable to the Renminbi Securities, if the Renminbi is not available in certain circumstances as described in the Renminbi Securities, the Issuer may make payments under the Renminbi Securities in U.S. dollars

There can be no assurance that access to Renminbi for the purposes of making payments under the Renminbi Securities by the Issuer or generally will remain or that new PRC regulations will not be promulgated which have the effect of restricting availability of Renminbi outside of the PRC.

Although the Issuer's primary obligation is to make all payments with respect to Renminbi Securities in Renminbi, where Renminbi Currency Event is applicable to the relevant Renminbi Securities, in the event access to Renminbi becomes restricted to the extent that, by reason of CNY Inconvertibility, CNY Non-Transferability or CNY Illiquidity (each as defined in the applicable Conditions of the Securities), the Issuer is unable to make any payment in respect of the Renminbi Securities in Renminbi, the terms of the Renminbi Securities permit the Issuer to make payment in U.S. dollars at the prevailing spot rate of exchange, all as provided in the applicable Conditions. The value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market place.

Payments in respect of Renminbi Securities will only be made to investors in the manner specified in the terms and conditions

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payment in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong or such other CNY Settlement Centre(s) as may be specified in the applicable Final Terms. Except in the limited circumstance stipulated in N&C Securities Condition 7.5 and W&C Securities Condition 4.9, all Renminbi payments to investors in respect of the Renminbi Securities will be made solely (i) for so long as the Renminbi Securities are represented by Global Securities held with the common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, or with the sub-custodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the CMU) or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or any such other CNY Settlement Centre(s) in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures, or those of the CMU or such alternative clearing system, or (ii) for so long as the Renminbi Securities are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or such other CNY Settlement Centre(s) in accordance with prevailing rules and regulations. Other than as described in the conditions of the Renminbi Securities, the Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

10. Risks relating to regulation of the Securities and the financial markets

Set out below is a brief description of the principal market and regulatory risks, including liquidity risk, exchange rate risk, inconvertibility risk of a relevant currency, interest rate risk and credit risk.

Current and Possible Illiquidity of the Securities in the Secondary Market

Investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Securities. Such lack of liquidity may result in investors suffering losses on the Securities in secondary market sales even if there is no decline in the performance of the applicable Reference Items or the creditworthiness of the Issuer and/or the Nomura Group. Additionally, many factors independent of the creditworthiness of the Issuer or the Guarantor (if applicable) affect the trading market of the Securities; please refer to the "Investment Considerations" section for an overview of such factors.

Additionally, the Issuer cannot predict the price at which Securities will trade in the secondary market in future or whether such market will be liquid or illiquid. Please see the "Investment Considerations" section for factors which may affect the trading market of the Securities.

The Issuer may, but is not obliged to, list or admit to trading Securities on a stock exchange or market. If the Securities are not listed or admitted to trading on any stock exchange or market, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected. As a result, investors may not be able to value or sell such Securities. If the Issuer does list or admit to trading an issue of Securities, the risk remains that the Securities may be delisted and/or that trading on such stock exchange or market may be suspended. Also, (in the case of American Style Warrants and Bermudan 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.

In addition, certain Securities may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility. Securityholders may not be able to sell such Securities readily or at prices that will enable them to realise their anticipated yield. No investor should purchase Securities unless such investor understands and is able to bear the risk that such Securities may not be readily saleable, that the value of such Securities 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 Securities.

The Issuer, the Guarantors or any of their respective Affiliates may, but are not obliged to, be a market-maker for an issue of Securities. Even if the Issuer or such other entity is a market-maker for an issue of Securities, the secondary market for such Securities may be limited. To the extent that an issue of Securities becomes illiquid, an investor may have to exercise such Securities (in the case of American Style Warrants or Bermudan 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 N&C Securities) of such Securities to realise value. These activities may affect the price of such obligations or securities in a manner that would be adverse to a Securityholder's investment in the Securities. The Issuer, the Guarantors and their respective Affiliates have not considered, and are not required to consider, the interest of investors as Securityholders in connection with entering into any of the above mentioned transactions.

There may be less liquidity in the market for Securities if the Securities are exclusively offered to retail investors without any offer to institutional investors.

The "*Investment Considerations*" section provides an overview of certain sovereign and bank solvency concerns. Investors should note that if such concerns over sovereign and bank solvency continue, there is a danger that interbank funding may become generally unavailable or available to most banks only at elevated interest rates. If this were to happen, investors may suffer market value and/or credit losses in respect of the Securities.

Regulatory risk - proposed Financial Transactions Tax may affect payments on the Securities

As described more fully in the "Investment Considerations" section, the European Commission has issued proposals, including a draft directive (the **Commission's proposal**) for a financial transaction tax (**FTT**). The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions if it is adopted based on the Commission's proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets) or the exercise/settlement of a warrant. The Issuer is, in some circumstances, able to pass on any such tax liabilities to holders of the Securities and therefore this may result in investors receiving less than expected in respect of the Securities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Securities (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between participating member states. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

Regulatory risk - Rule 144A Securities Transfer Restrictions

Issue and transfers of Securities to purchasers that intend to hold their Securities through a Rule 144A Global Security may be made only to or through a U.S. broker-dealer to purchasers (i) that have executed and delivered to the Issuer 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 Global Security 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.

Regulatory risk – US federal financial reform

Implementation of recently-enacted US federal financial reform legislation may affect the value of the Reference Items, which may ultimately affect the value, trading price and viability of the Securities. For example, certain provisions of the Dodd-Frank Act yet to be implemented would, upon implementation, impose limits on the maximum position that could be held by a single trader in certain of the Reference Items and may subject certain transactions to new forms of regulation that could create barriers to some types of hedging activity by the Issuer or any of its Affiliates. Other provisions of the Dodd-Frank Act could require certain Reference Items or hedging transactions to be cleared, traded on a regulated exchange and reported to regulators, central data repositories and, in some cases, the public. The Dodd-Frank Act has expanded entity registration requirements and imposed business conduct requirements on certain persons active in the swaps market (including new capital and margin requirements), which may affect the value of the Reference Items or value and/or cost of hedging transactions. Such regulation may affect the value, trading price and viability of the Securities. The ongoing implementation of the Dodd-Frank Act and future rulemaking thereunder could potentially limit or completely restrict the ability of the Issuer to hedge its exposure on the Securities, increase the costs of hedging or make hedging strategies less effective.

Regulatory risk – dividend equivalent withholding may affect payments on the Securities

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

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

Regulatory risk - regulatory initiatives may restrict certain investments and have an adverse impact on the regulatory treatment of the Securities

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the derivatives and structured securities industries. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may restrict investment in certain Securities, have an adverse impact on the regulatory position for certain investors and/or on the incentives for certain investors to hold Securities and may thereby also affect the liquidity of such Securities in the secondary market. Investors in the Securities are responsible for analysing their own regulatory position and none of the Issuer, the Guarantors or the Dealers makes any representation to any prospective investor or purchaser of the Securities regarding the regulatory treatment of their investment at the time of such investment or at any time in the future. Prospective investors should therefore make themselves aware of the changes and requirements applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Securities.

Exchange rate risks and exchange controls

In the case of Cash Settled Securities the Issuer will pay the Cash Settlement Amount (in the case of W&C Securities) or Final Redemption Amount (in the case of N&C Securities) in respect of the Securities in the Settlement 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 Securities, (ii) the Investor's Currency equivalent value of the Cash Settlement Amount or Final Redemption Amount (as applicable) in respect of the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, the Cash Settlement Amount (in the case of Cash Settled Securities) or the Final Redemption Amount (in the case of N&C Securities) that investors may receive may be less than expected or zero.

Change in law

The terms of the Conditions are based on English law in effect as at the date of this Base Prospectus. Judicial decisions or changes to English law or administrative practices after the date of this Base Prospectus may impact the interpretation of the terms of the Conditions in unpredictable ways which it is possible may be adverse to the interest of Securityholders and may lead to the reduction in the value of the Securities.

Inconvertibility risk of a Relevant Currency

The Securities of the Series may be affected by the inconvertibility of one or more currencies (each a **Relevant Currency**), which is relevant to the Securities. Examples of a Relevant Currency include, but are not limited to, a currency specified for payments under the Securities, the currency of denomination or trading of the Securities, a currency most closely associated with any deliverable assets or underlying reference assets or a currency relevant to any hedging arrangements for the Securities. If an event referred to as an Inconvertibility Event occurs in relation to a Relevant Currency as determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner, and unless 'Inconvertibility Event' is specified as 'Not Applicable' in the applicable Final Terms, then the Issuer may instruct the Calculation Agent to make certain adjustments or determinations in relation to the Securities. Such determinations or adjustments are wide-ranging. An **Inconvertibility Event** addresses the following risks in relation to a Relevant Currency which may be a direct or indirect result of (a) any force majeure events, or (b) any actual, anticipated or potential imposition of any capital or exchange controls or changes in applicable law or any relevant regulations or regulatory guidance, including those in relation to foreign investment, tax, corporate or foreign ownership in a relevant jurisdiction, by any relevant governmental or regulatory authorities or (c) any actual, anticipated or proposed sanctions (or regulatory guidance relating thereto), or any trade, economic or financial

sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any jurisdiction:

- (i) the risks in converting a Relevant Currency into another Relevant Currency through customary legal channels (including at a rate at least as favourable as the rate for domestic institutions). Such conversion may not be possible, legal or practical at the relevant time;
- (ii) the risks in converting, transferring or remitting the Relevant Currency from accounts within a relevant payment jurisdiction to another country. Such conversion, transfer or remittance may not be possible, legal or practical at the relevant time;
- (iii) the risks in making payments or otherwise making use of or dealing in any Relevant Currency (including, without limitation, as a result of any delays, increased costs or discriminatory rates of exchange, the requirements or practices of any relevant agent of the Issuer, any relevant clearing system or any relevant payment settlement system, or an entity acting on behalf of any relevant clearing system or payment settlement system, or any current or future restrictions on repatriation or exchange of one Relevant Currency into another Relevant Currency);
- (iv) the risk of any unavailability of a Relevant Currency in any relevant interbank foreign exchange market in any relevant jurisdiction through customary legal channels;
- (v) the risk of prohibition and prevention of any remittance abroad of funds from a relevant payment jurisdiction; and/or
- (vi) the risks relating to any related hedging arrangements.

Upon the occurrence of such an Inconvertibility Event (as defined above) the Issuer may at its discretion (acting reasonably) instruct the Calculation Agent to make certain determinations or adjustments to the terms and conditions of the N&C Securities. As a result of such determinations or adjustments, the Issuer may be entitled to make payments in a currency other than specified in the Final Terms. The Calculation Agent may also determine the relevant currency exchange rate at any time, regardless of the proximity of such determination to a payment date, and may determine the relevant currency exchange rate on more than one occasion if required. In determining the timing of the relevant currency exchange rate, the Calculation Agent will, where applicable, refer to the hedging arrangements (if any) of the Issuer. Accordingly, the calculation of the relevant currency exchange rate may occur at a time that is unfavourable to the Securityholders and may have a significant adverse impact on the value of payments made to Securityholders. The Issuer may also make deductions of an amount from payment or delivery amounts otherwise due to Securityholders under the relevant Securities. Adjustments may also be made to account for any increased amounts, costs and expenses associated with such Inconvertibility Event or incurred by the Issuer resulting from the Inconvertibility Event in relation to the Securities (including any related hedging arrangements). In respect of the Securities the determinations by the Calculation Agent may also include providing for non-payment or non-delivery of any relevant payment or amount otherwise due under the Securities or delay of such payment or delivery. Such adjustments or determinations may have an adverse impact on the value of the Securities or the payments to be made under the Securities.

As a result of the occurrence of an Inconvertibility Event the Issuer may also be entitled to early redeem or cancel the Securities before the scheduled maturity or settlement. It is possible that the Issuer may redeem or cancel the Securities at a time or an amount which causes a Securityholder to suffer a loss.

Interest rate risks

Investment in Fixed Rate N&C Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate N&C Securities.

Credit ratings assigned to the Issuer, the Guarantors or any Securities may not reflect all the risks associated with an investment in those Securities

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantors or the Securities. The credit rating agencies may have different rating methodologies, criteria, models and requirements from one another. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A

credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by its assigning rating agency at any time. Additionally, the global landscape of financial sector regulation itself is undergoing significant change. In the U.S., the Dodd-Frank Act, among other things, expands regulatory oversight of the Guarantor (and its subsidiaries) and credit rating agencies. It is not clear how this expanded regulatory oversight will impact the ratings on the Securities or the ratings of the Issuer and the Guarantors.

Ratings of the Securities

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country 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). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

Emerging Markets Risks

Securities may be linked to Reference Item(s) associated with, or denominated in the currencies of, emerging markets jurisdictions. Emerging markets jurisdictions may be characterised as politically unstable and/or lacking a stable and fully developed economy and financial system and/or lacking in established rule of law. Emerging markets investments generally have greater risks than those from developed jurisdictions including political risk, economic risk, currency risk, market risk, regulatory/legal risk and shareholder risk as further described below:

- *Political risk:* The relative instability of political systems of emerging markets jurisdictions may leave them more vulnerable to public unrest and instability. Such circumstances, in turn, could lead to a reversal of some or all economic or political reform including such policies as confiscatory taxation, exchange controls or expropriation of foreign-owned assets without adequate compensation. Any such policies could have an adverse effect on the value of the Reference Item(s) and, in turn, the relevant Securities.
- *Economic risk:* Businesses and governments of emerging markets jurisdictions may be relatively inexperienced in dealing with difficult market conditions (such as the on-going global recession) and

may have a limited capital base from which to borrow funds. In addition, an emerging markets jurisdiction may lack a developed banking sector and its financial institutions may not be adequately regulated. These factors, among other economic issues, could affect the functioning of the economy and have a corresponding adverse effect on the performance of the Reference Item(s) and, in turn, the relevant Securities.

- *Currency risk:* Reference Item(s) or Securities denominated in the currencies of emerging markets jurisdictions may be subject to greater volatility and possibly the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. See "*Currency Risk*" above.
- *Market risk:* The financial systems and markets of emerging markets jurisdictions may lack the level of transparency and liquidity found in more developed markets. As a result, such markets may suffer from extreme price volatility, price discrepancies and lack of liquidity. Any such circumstances or events may have an adverse effect on the performance of the Reference Item(s) and, in turn, the relevant Securities.
- *Regulatory/Legal risk:* In emerging markets jurisdictions there may be less government regulation of business and industry practices, stock exchanges, over-the-counter markets and market participants than in more developed countries. Legislation to safeguard the rights of private ownership and to prevent stock market manipulation may not be fully developed and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation and may be subject to change with retroactive effect. The holder of a Reference Item of an emerging markets jurisdiction may not be able to pursue legal remedies in the courts of such jurisdictions. Any such circumstances or events may have an adverse effect on the performance of the Reference Item(s) and, in turn, the relevant Securities.
- *Shareholder risk:* Rules in emerging markets jurisdictions regulating the ownership and corporate governance of companies may not exist or may provide little protection to shareholders. Disclosure and reporting requirements in general may be minimal or non-existent. There may be no prohibitions or restrictions under local law on the ability of management to terminate existing business operations, sell or dispose of assets, or otherwise materially affect the value of the company without the consent of its shareholders. Anti-dilution protection may also be very limited. There may be little or no fiduciary duty on the part of management or the directors to the company or to the shareholders as a whole or minority shareholders. Remedies for violations of shareholders' rights may be difficult to obtain. Any such circumstances or events may have an adverse effect on the performance of the Reference Item(s) and, in turn, the relevant Securities.

Relation of the Reference Item(s) to lightly regulated, narrow or exotic markets

An investment in Securities whose Reference Item(s) is/are traded on lightly regulated, narrow and exotic markets or otherwise influenced by the developments in such markets might expose the Securityholder to a higher risk of loss than one in Securities whose Reference Item(s) is/are traded on a heavily regulated market. The reasons for this can include a higher market volatility (inter alia in the equity market and in currency markets), a lower trading volume, political and economic instability, a greater risk of market closure, and greater government restrictions on these markets. There is also the risk of introduction of restrictions on foreign investors, expropriation of assets, punitive taxation, confiscation or nationalisation of assets, introduction of currency controls, or other unfavourable political and/or social measures. Under certain circumstances, such impairments can last over several weeks or months. Such a development could represent a market distortion that could prevent prices from being set for the Securities affected during the period in question. If such disruptions occur on a valuation date relevant for determination of a payment or delivery amount in respect of the Securities, this can cause a postponement of the calculation and payment or delivery, as applicable. In addition, such a disruption could result in a reduction of amounts payable or deliverable in respect of the Securities.

INVESTMENT CONSIDERATIONS

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Investment Considerations relating to the Securities

Considerations relating to the features and terms and conditions of the Securities

Distributor(s)/Introducing Broker Fees

Investors should note that, in certain circumstances immediately following the issue of the Securities, the secondary market price of the Securities may be less than the Issue Price and/or the Offer Price for a number of reasons which may include the fact that the Issue Price and/or the Offer Price included fees or commissions, including fees to be paid to distributor(s) and/or introducing brokers.

Physical Delivery Requirements

Physical Delivery will apply to Exempt Securities only.

Unless some other procedure is specified in the applicable Final Terms, in order to receive the Entitlement in respect of a Physical Delivery N&C Security, the holder of such N&C Security must (1) duly deliver a duly completed Asset Transfer Notice (or other similar notice as may be specified in the applicable Final Terms) on or prior to the relevant time on the Cut-Off Date and (2) pay the relevant Expenses.

Unless some other procedure is specified in the applicable Final Terms, in order to receive the Entitlement in respect of a Physical Delivery W&C Security, the holder of such W&C Security must (1) deliver or send to the relevant Agent a duly completed Collection Notice (or other similar notice as may be specified in the applicable Final Terms) on or prior to the relevant time on the Expiration Date and (2) pay the relevant Exercise Expenses.

Prospective Investors must review documentation

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND THE TERMS AND CONDITIONS AND THE APPLICABLE FINAL TERMS TO SEE HOW THE CASH SETTLEMENT AMOUNT, FINAL REDEMPTION AMOUNT, THE ENTITLEMENT OR THE EARLY REDEMPTION AMOUNT, AS THE CASE MAY BE, AND ANY PERIODIC COUPON PAYMENTS (IN THE CASE OF N&C SECURITIES) OR PAYMENTS OF ADDITIONAL AMOUNTS (IN THE CASE OF W&C SECURITIES) ARE DETERMINED AND WHEN SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY SECURITIES.

Considerations relating to the market

Liquidity and trading of the Securities

Many factors independent of the creditworthiness of the Issuer or the Guarantor (if applicable) affect the trading market of the Securities. These factors include:

- (i) the complexity and volatility of the Reference Item or formula or other basis of reference applicable to the Securities;
- (ii) the method of calculating amounts payable and/or deliverable, or other consideration, if any, in respect of the Securities;

- (iii) the time remaining to the expiration or exercise (as applicable in the case of W&C Securities) or redemption (in the case of N&C Securities) of the Securities;
- (iv) the number of Securities outstanding;
- (v) the settlement features of the Securities;
- (vi) the amount of other securities linked to the Reference Item or formula or other basis of reference applicable to the Securities; and
- (vii) the level, direction and volatility of market interest rate generally.

Certain countries in Europe currently have large sovereign debts and/or fiscal deficits and this has led to uncertainties in the markets as to whether or not the governments of those countries will be able pay in full and on time the amounts due in respect of those debts. These concerns have led to significant spikes in secondary market yields for sovereign debt of the affected countries (especially Greece, Spain, Portugal, Ireland and, to a lesser extent, Italy) and also to significant exchange rate volatility, especially with respect to the Euro. Further, the continued concern about the fiscal positions of the governments of the affected countries has also raised concerns regarding the exposures of banks to such countries, especially banks domiciled within Europe. These concerns may lead to such banks being unable to obtain funding in the interbank market, which may cause such banks to suffer liquidity stress and potentially insolvency. As at the date of this Base Prospectus, there has not been a recurrence of the inter-bank funding dislocations experienced in 2008.

Considerations relating to particular Reference Items

Index Linked Securities

The Issuer may issue Index Linked Securities where the Final Redemption Amount, Cash Settlement Amount or interest or other interim amounts payable is dependent upon the level of or changes in the level of an index or a basket of indices. The index or indices may comprise of reference equities, bonds, other securities, property, currency exchange rate or other assets or bases of reference, and may be a well known and widely published index or indices or an index or indices established by the Issuer, an Affiliate of the Issuer or another entity which may not be widely published or available.

Index Linked Redemption N&C Securities may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of a specified asset or assets and/or by payment of an amount determined by reference to the value of the index/indices and/or by whether that value is equal to, above or below one or more specified levels. Interest payable on Index Linked Interest N&C Securities or Additional Amounts payable on Index Linked W&C Securities may be calculated by reference to the value of one or more indices and/or by whether that value is equal to, above or below one or more specified levels.

Index Linked W&C Securities may be settled by the physical delivery of a specified asset or assets and/or payment of an amount determined by reference to the value of the index/indices and/or by whether that value is equal to, above or below one or more specified levels.

Equity Linked Securities

The Issuer may issue Equity Linked Securities where the Final Redemption Amount, Cash Settlement Amount, or interest or other interim amounts payable are dependent upon the price of or changes in the price of shares or a basket of shares or the price of a GDR/ADR or a basket of GDRs/ADRs or where, depending on the price or change in the price of the shares or basket of shares or the price a GDR/ADR or a basket of GDRs/ADRs, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Equity Linked Securities may bear similar market risks to a direct equity investment and investors should take advice accordingly.

Equity Linked Redemption N&C Securities may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of a given number of share(s) and/or by payment of an amount determined by reference to the value of the share(s) and/or by whether that value is equal to, above or below one or more specified levels. Interest payable on Equity Linked N&C Securities or Additional Amounts payable on Equity Linked W&C Securities may be calculated by reference to the value of the share(s) and/or by whether that value is equal to, above or below one or more specified levels. Equity Linked W&C Securities may be settled by the physical delivery of a given number of share(s) and/or by payment of an amount

determined by reference to the value of the share(s) and/or by whether that value is equal to, above or below one or more specified levels.

GDR/ADR Linked Securities

In the case of GDR/ADR Linked Securities, the Final Redemption Amount, Cash Settlement Amount or interest payable will be dependent upon the value of GDRs or ADRs, and, depending on the price of or change in the price of the GDRs or ADRs, the Issuer may have an obligation to deliver specified assets. Accordingly, an investment in GDR/ADR Linked Securities may bear similar market risks to a direct GDR/ADR investment and investors should take advice accordingly.

GDR/ADR Linked Redemption N&C Securities may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of a given number of GDRs and/or ADRs and/or by payment of an amount determined by reference to the value of the GDRs and/or ADRs. The coupon payable on GDR/ADR Interest N&C Securities may be calculated by reference to the value of the GDRs and/or ADRs.

GDR/ADR Linked W&C Securities may be settled by the physical delivery of a given number of GDRs and/or ADRs and/or by payment of an amount determined by reference to the value of the GDRs and/or ADRs.

FX Linked Securities

The Issuer may issue FX Linked Securities where the Final Redemption Amount, Cash Settlement Amount or interest or other interim amounts payable are dependent upon movements in currency or foreign exchange rates or are payable in one or more currencies which may be different from the currency in which the Securities are denominated. Accordingly, an investment in FX Linked Securities may bear similar market risks to a direct foreign exchange investment and investors should take advice accordingly.

FX Linked Redemption N&C Securities may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of specified amount of one or more currencies and/or by payment of an amount determined by reference to the value of the currency/currencies. The coupon payable on FX Linked Interest N&C Securities may be calculated by reference to the value of one or more currencies.

FX Linked W&C Securities may be settled by the physical delivery of a specified amount of one or more currencies and/or by payment of an amount determined by reference to the value of the currency/currencies and/or whether that value is equal to, above or below one or more specified levels.

Commodity Linked Securities

The Issuer may issue Commodity Linked Securities where the Final Redemption Amount, Cash Settlement Amount or interest or other interim amounts payable are dependent upon the price or changes in the price of commodities, basket of commodities, a commodity index or basket of commodity indices or where, depending on the price or change in the price of the commodities, basket of commodities, commodity index or basket of commodity indices, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Commodity Linked Securities may bear similar market risks to a direct commodity investment and investors should take advice accordingly.

Commodity Linked Redemption N&C Securities may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of specified amount of one or more commodities and/or by payment of an amount determined by reference to the value of the commodity, commodity index, commodities and/or commodity indices. The coupon payable on Commodity Linked Interest N&C Securities may be calculated by reference to the value of one or more commodity, commodity index, commodities and/or commodity indices.

Commodity Linked W&C Securities may be settled by the physical delivery of a specified amount of one or more commodities and/or by payment of an amount determined by reference to the value of the commodity, commodity index, commodities and/or commodity indices.

Crude oil, heating oil, natural gas and unleaded gasoline are energy-related commodities. The value of Commodity-Linked Securities linked specifically to energy-related commodities may be affected by, among other factors:

- changes in the level of industrial and commercial activity with high levels of energy demand;

- disruptions in the supply chain or in the production or supply of other energy sources;
- price changes in alternative sources of energy;
- adjustments to inventory;
- variations in production and shipping costs;
- costs associated with regulatory compliance, including environmental regulations; and
- changes in industrial, government and consumer demand, both in individual consuming nations and internationally.

Cocoa, coffee, corn, cotton, soybeans, soybean oil, sugar and wheat are agricultural commodities. Cocoa, coffee, cotton and sugar are soft commodities; corn, soybeans and wheat are grains. The value of Commodity-Linked Securities linked specifically to agricultural commodities may be affected by, among other factors:

- weather conditions, including floods, drought and freezing conditions;
- changes in government policies;
- changes in global demand for food or clothing;
- planting decisions;
- changes in bio-diesel or ethanol demand; and
- changes in demand for agricultural products, softs or grains, and in particular cocoa, coffee, corn, cotton, soybeans, soybean oil, sugar or wheat, both with end users and as inputs into various industries.

Lean hogs and live cattle are a type of livestock. The value of Commodity-Linked Securities linked specifically to livestock may be affected by, among other factors:

- weather conditions, including floods, drought and freezing conditions;
- disease and famine;
- changes in government policies; and
- changes in end-user demand for livestock.

Aluminium, copper, lead, nickel, tin and zinc are base metals. The value of Commodity-Linked Securities linked specifically to base metals may be affected by, among other factors:

- changes in the level of industrial activity using industrial metals, and in particular aluminium, copper, lead, nickel, tin or zinc, including the availability of substitutes such as man-made or synthetic substitutes;
- disruptions in the supply chain, from mining to storage to smelting or refining; adjustments to inventory;
- variations in production costs, including storage, labour and energy costs; costs associated with regulatory compliance, including environmental regulations; and
- changes in industrial, government and consumer demand, both in individual consuming nations and internationally.

Gold, silver, platinum and palladium are precious metals. The value of Commodity-Linked Securities linked specifically to precious metals may be affected by, among other factors:

- disruptions in the supply chain, from mining to storage to smelting or refining;
- adjustments to inventory;
- variations in production costs, including storage, labour and energy costs;
- costs associated with regulatory compliance, including environmental regulations;

- changes in industrial, government and consumer demand, both in individual consuming nations and internationally;
- precious metal leasing rates;
- currency exchange rates;
- level of economic growth and inflation; and
- the degree to which consumers, governments, corporate and financial institutions hold physical gold as a safe haven asset (hoarding) which may be caused by a banking crisis/recovery, a rapid change in the value of other assets (both financial and physical) or changes in the level of geopolitical tension.

Fund Linked Securities

The Issuer may issue Fund Linked Securities where the Final Redemption Amount, Cash Settlement Amount or interest or other interim amounts payable are dependent upon the price or changes in the price of a fund share or unit or a basket of fund shares or units or where, depending on the price or changes in the price of a fund share or unit or basket of fund shares or units, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Fund Linked Securities may bear similar market risks to a direct fund investment and investors should take advice accordingly.

Fund Linked Redemption N&C Securities may be redeemable by the Issuer by payment of the par value amount and/or by the physical delivery of specified amount of one or more fund shares or units and/or by payment of an amount determined by reference to the value of the fund share(s) or unit(s). The coupon payable on Fund Linked Interest N&C Securities may be calculated by reference to the value of one or more fund shares or units.

Fund Linked W&C Securities may be settled by the physical delivery of a specified amount of one or more fund shares or units and/or by payment of an amount determined by reference to the value of the fund share(s) or unit(s).

Inflation Linked Securities

The Issuer may issue Inflation Linked Securities where the Final Redemption Amount, Cash Settlement Amount or interest or other interim amounts payable are dependent upon the level or changes in the level of an inflation index or a basket of inflation indices.

Inflation Linked Redemption N&C Securities may be redeemable by the Issuer by payment of the par value amount and/or by payment of an amount determined by reference to the value of the inflation index/indices. The coupon payable on Inflation Linked Interest N&C Securities may be calculated by reference to the value of one or more inflation index/indices and/or by whether that value is equal to, above or below one or more specified levels.

Inflation Linked W&C Securities will be settled by payment of an amount determined by reference to the value of the inflation index/indices.

Credit Linked Securities

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

ISDA Credit Derivatives Definitions

This Base Prospectus contains Additional Terms and Conditions for Credit Linked Securities with terms based on the 2003 ISDA Credit Derivatives Definitions (as supplemented) (the **2003 ISDA Definitions**) and further Additional Terms and Conditions for Credit Linked Securities with terms based on the 2014 Credit Derivatives Definitions (the **2014 ISDA Definitions**). While there are many similarities between the terms used in such Additional Terms and Conditions for Credit Linked Securities and the terms used in the 2003 ISDA Definitions, or the 2014 ISDA Definitions, as applicable, there are a number of differences. In particular, the

Issuer and the Guarantor have determined that certain provisions of the Credit Derivatives Definitions, which are intended for use by market participants in "over the counter" transactions, require amendment when incorporated in the terms of an offering of securities such as the Credit Linked Securities and amendments have also been made to reflect any hedging arrangements the Issuer may put in place. The terms and conditions of the Credit Linked Securities also afford the Calculation Agent discretion in respect of determining certain terms that differ in substance in comparison to corresponding terms contemplated in the ISDA Definitions, including, without limitation, the date on which a Credit Event Determination Date, the Credit Settlement Date or Valuation Date will fall, the applicability of the Fallback Settlement Method (which may be determined, *inter alia*, by reference to the Hedging Arrangements) and the Settlement Suspension provisions or determination of the Quotation Amount. Therefore, investing in Credit Linked Securities is not necessarily equivalent to investing in a credit default swap that incorporates either set of the above ISDA Definitions. This may mean that the Credit Linked Securities are not suitable for purposes of any hedging strategy an investor may have in relation to other rights and obligations it has under any credit default swaps. It may also mean the credit linked securities perform differently from the way that an investor familiar with the above ISDA Definitions would expect.

While ISDA has published and, where applicable, supplemented the 2003 ISDA Definitions and the 2014 ISDA Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the 2003 ISDA Definitions and the 2014 ISDA Definitions and the terms applied to credit derivatives, including Credit Linked Securities are subject to further evolution. Past events have shown that the view of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution of the market, the Credit Linked Securities may not conform to future market standards. Such a result may have a negative impact on the Credit Linked Securities. Furthermore, there can be no assurances that changes to the terms applicable to credit derivatives generally will be predicable or favourable to the Issuer, the Guarantor or the Securityholders.

Differences between the 2003 ISDA Definitions and the 2014 ISDA Definitions

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

- (a) introduced a new Credit Event of "Governmental Intervention", which is intended to capture "bail-in" procedures to which financial institutions may be subject;
- (b) made certain amendments to the Restructuring Credit Event to provide for the possibility of a Euro exit;
- (c) reduced the number of buckets applicable in circumstances where Mod Mod R is applicable and deleted the concept of the "Enabling Obligation" which was previously applicable to both Mod R and Mod Mod R;
- (d) introduced the concept of Asset Package Delivery in respect of certain Financial Reference Entities and Sovereigns. This provides that if Deliverable Obligations are exchanged into non-Deliverable assets or written-down in part or in full, in certain circumstances, the credit protection buyer will be able to deliver the resultant package of Assets or the written-down Deliverable Obligation to realise its protection;
- (e) split credit protection between senior and subordinated coverage in respect of a Governmental Intervention and Restructuring Credit Event for Financial Reference Entities, i.e. a Senior Transaction will only be triggered by a Restructuring or Governmental Intervention of Senior Obligations and a Subordinated Transaction will not be capable of being triggered by a Restructuring or Governmental Intervention of an obligation which is Subordinated to the Subordinated Reference Obligation;
- (f) made a number of changes to the provisions for determining a Successor to a Reference Entity, particularly with respect to Financial and Sovereign Reference Entities;
- (g) provided for a new election of "Standard Reference Obligation" which, if chosen, will mean that the Reference Obligation will be the obligation of the relevant seniority level published in respect of the relevant Reference Entity on a List maintained by ISDA. Parties to a transaction on the terms of the

2014 ISDA Definitions may elect not to apply that election such that the Reference Obligation would remain as chosen by the parties, although, if this is the case, the procedure for selecting a Substitute Reference Obligation has also changed significantly in the 2014 ISDA Definitions;

- (h) replaced the Not Contingent Deliverable Obligation Characteristic with the concept of Outstanding Principal Balance. In order for an obligation (including the Reference Obligation) to constitute a Deliverable Obligation, it must have an Outstanding Principal Balance greater than zero;
- (i) amended the definition of "Qualifying Guarantee" to expand the universe of guarantees that can constitute Qualifying Guarantees (with a particular emphasis on including, to some extent, guarantees with caps or transfer provisions); and
- (j) introduced a large number of technical and other changes.

These changes in the 2014 ISDA Definitions as compared to the 2003 ISDA Definitions have been reflected in the Additional Terms and Conditions for Credit Linked Securities (2014 ISDA Credit Derivatives Definitions Version) in Annex 15 of this Base Prospectus, but in each case subject to important differences, including to reflect the nature of the Securities as compared to "over-the-counter" transactions and to reflect any hedging arrangements the Issuer may put in place. Some changes, such as the inclusion of a new Credit Event, may have significant economic effect on the Credit Linked Securities and may mean the value of the Credit Linked Securities and the return (if any) to investors is significantly different from Credit Linked Securities using the Additional Terms and Conditions for Credit Linked Securities (2003 ISDA Credit Derivatives Definitions Version) in Annex 7 of this Base Prospectus. Some changes may be disadvantageous to Securityholders and prospective investors should review carefully the terms of any issue of Securities and, where in any doubt, take advice from suitably qualified professional advisers.

Amendment of Credit Linked Conditions in accordance with market convention

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

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

Hedging Disruption

Where the provisions of Annex 15 apply to the Credit Linked Securities, the terms and conditions provide that in the event that (a) the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Issuer issuing and performing its obligations with respect to the Securities or to realise, recover or remit the proceeds of any such transaction(s) or asset(s), (b) the Reference Obligation no longer exists or other circumstances exist as described in paragraphs (a) or (b) of the definition of Substitution Event and no Substitute Reference Obligation is determined (which the Calculation Agent may determine not to do in its sole discretion), or (c) the existing Hedging Arrangements of the Issuer or any Affiliate, or the ability of the Issuer or any Affiliate to enter into new Hedging Arrangements, are affected by any change in any standard terms used in any relevant market (such standard terms including, without limitation, any version of the ISDA Credit Derivative Definitions, any supplements thereto or any other terms or documentation that may be published by ISDA from time to time, and such a change including, without limitation, any amendment to or reinterpretation of any standard terms or the publication or introduction of new standard terms) or in market practice in any relevant market, in the case of any of (a), (b) or (c) (each a **Hedging Adjustment Event**) the Issuer may (i) make such adjustment to the Conditions of the Securities (including, for the avoidance of doubt, the Credit Linked Conditions) as the Issuer determines is appropriate to account for such Hedging Adjustment Event and determine the effective

date of that adjustment or (ii) if the Issuer determines that no adjustment that it could make would be sufficient (in the Issuer's opinion) to reflect the occurrence of the relevant Hedging Adjustment Event, the Issuer may redeem or cancel all but not some only of the Securities as of such date as the Calculation Agent shall determine by notice given to the Securityholders, each N&C Security being redeemed at the Early Redemption Amount and each W&C Security being cancelled at the Early Cancellation Amount as calculated by the Calculation Agent in accordance with W&C Securities Condition 5.

Physical Settlement Matrix

Where so specified in the applicable Final Terms, the Credit Linked Securities may incorporate certain specific terms (as amended pursuant to Credit Linked Condition 24) of the Credit Derivatives Physical Settlement Matrix as published by ISDA from time to time. The version of the Credit Derivatives Physical Settlement Matrix from which such terms are incorporated is as set out in the applicable Final Terms. Other than those terms specifically contemplated in Credit Linked Condition 24 and the applicable Final Terms, none of the other terms contemplated in the Credit Derivatives Physical Settlement Matrix shall be incorporated into the terms of the Credit Linked Securities.

Cheapest to deliver

Following a Credit Event Determination Date, subject to Auction Settlement procedures (where Auction Settlement is specified as the applicable Settlement Method, including for the avoidance of doubt where the Credit Linked Securities are Tranching Recovery Index Credit Linked N&C Securities, Tranching Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities), if applicable, the Calculation Agent is entitled to select an Obligation for delivery (or, if Cash Settlement applies, including for the avoidance of doubt where the Credit Linked Securities are Tranching Recovery Index Credit Linked N&C Securities, Tranching Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities, for valuation) which has the lowest value in the market at the relevant time, provided such obligation satisfies certain specifications and limits for qualification as a Deliverable Obligation or Obligation (as the case may be).

Role of the Credit Derivatives Determinations Committee

Credit Derivative Determinations Committees were established pursuant to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 12 March 2009) to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. Investors should consult the Issuer in case they require a copy of the ISDA Definitions. Credit Derivatives Determination Committees also apply under the 2014 ISDA Definitions. Both sets of Additional Terms and Conditions for Credit Linked Securities as set out in Annexes 7 and 15 of this Base Prospectus therefore reflect such auction procedures. In respect of a Credit Event relating to a Credit Linked Security, prospective purchasers should note that the Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Credit Event has occurred, which obligations are to be valued and whether an auction should take place in accordance with and as more fully described in the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof. Consequently, payments on the Credit Linked Securities and the timing of any such payments may be affected by any such relevant decisions if Auction Settlement is specified as the applicable Settlement Method for a series of Securities in the relevant Final Terms, including for the avoidance of doubt where the Securities are Tranching Recovery Index Credit Linked N&C Securities, Tranching Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities.

Physical Delivery

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

Where the provisions of Annex 7 apply to the Credit Linked Securities, in the event that the Calculation Agent is unable to identify a Substitute Reference Obligation prior to the Extension Date, and if so specified in the applicable Final Terms:

- (a) the Issuer shall have the right on or after the Extension Date to redeem or cancel the Credit Linked Securities, as applicable, at their fair market value by notice to the Securityholders of the relevant Securities; or
- (b) the obligations of the Issuer under the Securities shall cease as of the end of the day on the Extension Date.

Substitution Events

Where the provisions of Annex 15 apply to the Credit Linked Securities, if a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to the provisions of the definition of Substitute Reference Obligation, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation until the Extension Date although the Calculation Agent is not obliged to select a Substitute Reference Obligation at any time. If (A) either (i) Cash Settlement is specified as the Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method) and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or (ii) either Auction Settlement or Physical Delivery is specified as the Settlement Method in the applicable Final Terms (or, in the case of Physical Delivery, is applicable pursuant to the Fallback Settlement Method) and, in each case, the Reference Obligation is the only Deliverable Obligation and (B) on or prior to the Extension Date, a Substitute Reference Obligation has not been identified, then the Issuer shall have the right on or after the Extension Date to redeem the Securities at the Early Redemption Amount (determined by the Calculation Agent taking into account the creditworthiness of the Reference Entity at the time of the early redemption) by notice to the Holders of the relevant Credit Linked Securities, such payment to be made as specified in such notice. Such notice shall contain details of the procedures and due date for such early redemption.

Considerations relating to laws and regulation

Legal investment considerations which may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Regulation of benchmarks

Key international regulatory initiatives relating to the reform of benchmarks include (i) the International Organisation of Securities Commissions' (**IOSCO**) Principles for Financial Benchmarks (as set out in IOSCO's Final Report on Principles for Financial Benchmarks (FR07/13), as recently supplemented by IOSCO's Report on Guidance on the IOSCO Principles for Financial Benchmarks (FR 13/2016), the **IOSCO Principles**) and (ii) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directive 2008/48/EC and 2014/17/EC and Regulation (EU) No 596/2014 (the **Benchmarks Regulation**). The IOSCO Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering (among other things) governance and accountability as well as the quality, integrity and transparency of benchmark design, determination and methodologies.

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and most provisions apply, subject to certain transitional provisions, from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or

registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices, such as LIBOR or EURIBOR, applies to many interest rates, foreign exchange rate indices, equity indices, commodity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue (EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF)) or via a systematic internaliser, certain financial contracts and certain investment funds. The requirements of the Benchmarks Regulation are intended to take into account the systemic significance, perceived risk profile and certain other relevant characteristics of different types of benchmarks.

Reform of some interest rate benchmarks

In addition to the international regulatory initiatives relating to the reform of benchmarks in general, some interest rate benchmarks (e.g. LIBOR and EURIBOR) are being reformed and, in some cases, discontinued as part of the global benchmark reform process. Different interest rate benchmarks are being reformed or discontinued at different speeds and in different ways.

Financial markets in some currencies and regions have changed significantly since the global financial crisis. One of the reasons for the discontinuance of interbank rates such as LIBOR is that banks no longer fund themselves in the interbank market to the same extent as they used to, and regulators do not believe that these fundamental shifts are likely to be reversed in the near term. The decline in the liquidity of the underlying interbank markets is one of the key drivers for reform and transition away from LIBOR.

LIBOR is now calculated on the basis of a reformed methodology, but it still requires the support of the submitting panel banks. The number of underlying transactions in the interbank market has fallen and so the calculation of LIBOR under the reformed methodology is still reliant on the expert judgment of the panel banks. This process gives rise to certain risks for the panel banks. The FCA has agreed with 20 panel banks that they will continue making submissions until the end of 2021, but some banks may then withdraw from the LIBOR panels and the FCA has stated that it does expect withdrawals from the LIBOR panels at the end of 2021. It is possible that so many banks will withdraw that it is simply not feasible to produce a LIBOR rate after that time.

All of this means it is expected that non-USD LIBOR rates and several USD LIBOR tenors will cease to be published after 2021. If and when it ceases to be published, LIBOR can no longer be the interest rate referenced by existing financial products or transactions (or to be referenced by new transactions going forward). If participants in financial markets do not implement a managed transition process (including replacing references to LIBOR in existing contracts), this could lead to a disorderly discontinuation of LIBOR, which could in turn result in significant market disruption. Some historical fallbacks, which involve a calculation agent sourcing quotations from reference banks for each transaction in order to synthesise LIBOR, are unlikely to function because those banks will not wish to provide quotations. Given the volume of LIBOR-linked financial products and transactions, this may even create financial stability risks. Transitioning to alternative rates will help to mitigate the possible market disruption.

Even if some panel banks are willing to support LIBOR, it may not be possible to produce a LIBOR rate that is representative of the relevant underlying market(s) or economic reality and the FCA may make an announcement that the LIBOR rate is or will no longer be representative before it ceases to be published. If such an announcement is made it would be likely to significantly reduce the liquidity of legacy LIBOR linked financial products and transactions. Furthermore, if the number of panel banks is reduced following such an announcement, it may change the properties of the LIBOR rate more generally – for example, by affecting the level or the volatility of the rate.

Some of these market dynamics are also present in other regions and other currencies and may drive the discontinuation of non-LIBOR benchmarks. In addition, LIBOR embeds a bank credit risk premium into its rate. As liquidity has declined in the interbank market, this bank credit risk premium is being priced by

reference to a less active market, and this may make such pricing more volatile, particularly in times of financial distress.

Alternative reference rates or what the market has termed RFRs are being developed which are nearly risk-free and can be used in the financial markets in place of the existing key interbank offered rates. In some cases it is possible the existing IBORs will be discontinued and replaced with the RFRs whilst in other cases both rates may be available for the relevant currency at least for a period of time.

For some currencies, the selected RFR is already in use in the overnight market (e.g., SONIA for GBP) whilst for other currencies, a transition from the incumbent overnight rate to the new RFR will be required (e.g., for EUR from EONIA to €STR). The administrator of EONIA has announced that EONIA will also be discontinued after 2021.

Proposed Financial Transactions Tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission's proposal**) for a financial transaction tax (FTT) to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia), although Estonia has since stated that it will not participate. If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating member states. Generally, it would apply 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 financial transaction is issued in a participating member state.

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SECURITIES

Certain Tranches of Securities with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to as a **Non-exempt Offer**.

If, in the context of a Non-exempt Offer, you are offered Securities by any entity, you should check that such entity has been given consent to use this Base Prospectus for the purposes of making its offer before agreeing to purchase any Securities. The following entities have consent to use this Base Prospectus in connection with a Non-exempt Offer:

- any entity named as a Dealer or Manager in the applicable Final Terms;
- any financial intermediary specified in the applicable Final Terms as having been granted specific consent to use the Base Prospectus;
- any financial intermediary named on the Issuer's website (see the "Corporate Disclosure" section at www.nomuranow.com) as an Authorised Offeror (as defined below) in respect of the relevant Non-exempt Offer (if that financial intermediary has been appointed after the date of the applicable Final Terms).

The entities listed above have been given consent to use the Base Prospectus only during the Offer Period specified in the applicable Final Terms and only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Securities in the Non-exempt Offer Jurisdictions (as defined below), as specified in the applicable Final Terms. Other than as set out above, neither the Issuer nor the Guarantor has authorised the making of any Non-exempt Offer by any person and neither the Issuer nor the Guarantor has consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Securities.

Please see below for certain important legal information relating to Non-exempt Offers.

Restrictions on Non-exempt offers of Securities in relevant Member States

This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Securities in each Member State in relation to which the Issuer has given its consent, as specified in the Final Terms (each specified State a **Non-exempt Offer Jurisdiction** and together the **Non-exempt Offer Jurisdictions**). Any person making or intending to make a Non-exempt Offer of Securities on the basis of this Base Prospectus must do so only with the Issuer's consent to the use of this Base Prospectus as provided under "*Consent given in accordance with Article 5(1) of the Prospectus Regulation*" below and provided such person complies with the conditions attached to that consent.

Consent given in accordance with Article 5(1) of the Prospectus Regulation

In the context of a Non-exempt Offer of Securities, the Issuer and the Guarantors accept responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (an **Investor**) who purchases any Securities in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to the giving of consent for the use of this Base Prospectus are complied with. The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

None of the Issuer, the Guarantors or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Except in the circumstances set out in the following paragraphs, neither the Issuer nor the Guarantors has authorised the making of any Non-exempt Offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Securities. Any Non-exempt Offer made without the consent of the Issuer is unauthorised and none of

the Issuer, the Guarantors and, for the avoidance of doubt, any Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered Securities by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of the relevant Non-exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

The financial intermediaries referred to in paragraphs (ii) and (iii) below are together the **Authorised Offerors** and each an **Authorised Offeror**.

Consent

In connection with each Tranche of Securities and subject to the conditions set out below under "*Common Conditions to Consent*", the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Securities by:

- (i) the relevant Dealer(s) or Manager(s) specified in the applicable Final Terms;
- (ii) any financial intermediaries specified in the applicable Final Terms; and
- (iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer's website (see the "Corporate Disclosure" section at www.nomuranow.com) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer.

Common Conditions to Consent

The conditions to the Issuer's consent to the use of this Base Prospectus in the context of the relevant Non-exempt Offer are that such consent:

- (i) is only valid during the Offer Period specified in the applicable Final Terms; and
- (ii) only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Securities in Austria, Belgium, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Sweden, and/or The Netherlands, as specified in the applicable Final Terms.

The consent referred to above relates only to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

The only relevant Member States which may, in respect of any Tranche of Securities, be specified in the applicable Final Terms (if any Member States are so specified) as indicated in (ii) above, will be Austria, Belgium, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Sweden, and The Netherlands, and accordingly each Tranche of Securities may only be offered to Investors as part of a Non-exempt Offer in Austria, Belgium, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Sweden, and The Netherlands, as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY SECURITIES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE SECURITIES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL

TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER, THE GUARANTORS AND, FOR THE AVOIDANCE OF DOUBT, ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.

Non-exempt Offers: Issue Price and Offer Price

Securities to be offered pursuant to a Non-exempt Offer will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer at the time of the relevant Non-exempt Offer and will depend, amongst other things, on prevailing market conditions at that time. The offer price at which the Authorised Offeror will offer such Securities to the Investor will be the Issue Price or (where agreed with the relevant Dealer) such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Securities to such Investor. Neither the Issuer nor the Guarantors will be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Securities to such Investor.

DOCUMENTS INCORPORATED BY REFERENCE

The following section applies to both Exempt Securities and Non-Exempt Securities.

The following documents, which have previously been published shall be deemed to be incorporated by reference in, and to form part of this Base Prospectus for the purposes of the Prospectus Regulation:

- (a) the audited Annual Financial Statements of the Issuer for the year ended 31 March 2022 (available at: <https://www.nomuranow.com/portal/site/public/en-gb/resources/upload/nif-annual-financial-statement-31Mar2022.pdf>);
- (b) the audited Annual Financial Statements of the Issuer for the year ended 31 March 2023 (available at: <https://www.nomuranow.com/portal/site/public/en-gb/resources/upload/Nomura-International-Funding-Pte-Ltd-annual-financial-statement-310323.pdf>);
- (c) the unaudited condensed interim financial statements of the Issuer for the three months ended 30 June 2023 (available at: <https://www.nomuranow.com/portal/site/public/en-gb/resources/upload/nif-quarterly-financials-for-the-period-ended-30-June-2023.pdf>);
- (d) the Form 20-F of the NHI Guarantor dated 24 June 2022, for the year ended 31 March 2022, containing the auditor's report and consolidated financial statements of the NHI Guarantor for that year on pages F-1 to F-141 (but excluding any documents incorporated therein) (available at: https://www.nomuraholdings.com/investor/library/sec/20f/220627/220627_e.pdf);
- (e) the Form 20-F of the NHI Guarantor dated 28 June 2023, for the year ended 31 March 2023, containing the auditor's report and consolidated financial statements of the NHI Guarantor for that year on pages F-1 to F-138 (but excluding any documents incorporated therein) (available at: https://www.nomuraholdings.com/investor/library/sec/20f/230628/230628_e.pdf);
- (f) the Form 6-K of the NHI Guarantor dated 17 August 2023, of an English translation of the NHI Guarantor's unaudited Quarterly Securities Report for the three months ended 30 June 2023 (but excluding any documents incorporated therein) (available at: <https://www.nomuraholdings.com/investor/library/sec/6k/230817/230817.pdf>);
- (g) the English language audited non-consolidated annual financial statements of the NSC Guarantor for the financial year ended 31 March 2022 including the auditor's report as published on 24 June 2022 (available at: <https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/NSC-s-Financial-Information-NSC-s-audited-non-consolidated-annual-financial-statements-for-the-year-ended-31-March-2022.pdf>);
- (h) the English language audited non-consolidated annual financial statements of the NSC Guarantor for the financial year ended 31 March 2023 including the auditor's report as published on 28 June 2023 (available at: <https://www.nomuranow.com/portal/site/public/en-gb/resources/upload/NSC-s-Financial-Information-NSC-s-audited-non-consolidated-annual-financial-statements-for-the-year-ended-31-March-2023.pdf>);
- (i) the English translation of the Japanese language unaudited quarterly financial information for the three months ended 30 June 2023 of the NSC Guarantor as published on 1 August 2023 (available at: https://www.nomuraholdings.com/company/group/nsc/pdf/2024_1q.pdf);
- (j) the Terms and Conditions of Securities contained in the previous Base Prospectus dated 5 August 2013 (the **2013 Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
 - (i) the Terms and Conditions of the N&C Securities found on pages 209 to 289 of the 2013 Base Prospectus (available at: https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/NIF_Prospectus_final.pdf);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 304 to 357 of the 2013 Base Prospectus;
 - (iii) the Technical Annexes found on pages 359 to 594 of the 2013 Base Prospectus;

- (k) the Terms and Conditions of Securities contained in the previous Base Prospectus dated 1 August 2014 (the **2014 Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
 - (i) the Terms and Conditions of the N&C Securities found on pages 217 to 301 of the 2014 Base Prospectus (available at: <https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/nif-base-prospectus-2014.pdf>);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 316 to 371 of the 2014 Base Prospectus;
 - (iii) the Technical Annexes found on pages 373 to 676 of the 2014 Base Prospectus;
- (l) the Terms and Conditions of Securities contained in the previous Base Prospectus dated 31 July 2015 (the **July 2015 Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
 - (i) the Terms and Conditions of the N&C Securities found on pages 226 to 309 of the July 2015 Base Prospectus (available at: <https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/nif-base-prospectus-july2015.pdf>);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 325 to 379 of the July 2015 Base Prospectus;
 - (iii) the Technical Annexes found on pages 381 to 686 of the July 2015 Base Prospectus;
- (m) the Terms and Conditions contained in the previous Base Prospectus dated 11 December 2015 (the **December 2015 Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
 - (i) the Terms and Conditions of the N&C Securities found on pages 230 to 314 of the December 2015 Base Prospectus (available at: <https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/nif-base-prospectus-2015.pdf>);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 330 to 385 of the December 2015 Base Prospectus; and
 - (iii) the Technical Annexes found on pages 387 to 692 of the December 2015 Base Prospectus;
- (n) the Terms and Conditions contained in the previous Base Prospectus dated 16 September 2016 (the **2016 Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
 - (i) the Terms and Conditions of the N&C Securities found on pages 233 to 317 of the 2016 Base Prospectus (available at: <https://www.nomuranow.com/portal/site/nnextranet/resources/assets/files/structured/base-suppliments/NIF-BASE-PROSPECTUS-09-2016.pdf>);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 334 to 389 of the 2016 Base Prospectus; and
 - (iii) the Technical Annexes found on pages 391 to 696 of the 2016 Base Prospectus;
- (o) the Terms and Conditions contained in the previous Base Prospectus dated 15 September 2017 (the **2017 Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
 - (i) the Terms and Conditions of the N&C Securities found on pages 267 to 366 of the 2017 Base Prospectus (available at: <https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/nif-base-prospectus-2017.pdf>);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 384 to 440 of the 2017 Base Prospectus; and
 - (iii) the Technical Annexes found on pages 442 to 751 of the 2017 Base Prospectus;

- (p) the Terms and Conditions contained in the previous Base Prospectus dated 14 September 2018 (the **2018 Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
- (i) the Terms and Conditions of the N&C Securities found on pages 278 to 385 of the 2018 Base Prospectus (available at: <https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/nif-base-prospectus-2018.pdf>);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 404 to 462 of the 2018 Base Prospectus; and
 - (iii) the Technical Annexes found on pages 464 to 773 of the 2018 Base Prospectus.
- (q) the Terms and Conditions contained in the previous Base Prospectus dated 11 July 2019 (the **2019 Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
- (i) the Terms and Conditions of the N&C Securities found on pages 283 to 393 of the 2019 Base Prospectus (available at: <https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/nif-base-prospectus-2019.pdf>);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 413 to 474 of the 2019 Base Prospectus; and
 - (iii) the Technical Annexes found on pages 476 to 785 of the 2019 Base Prospectus.
- (r) the Terms and Conditions contained in the previous Base Prospectus dated 17 April 2020 (the **2020 Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
- (i) the Terms and Conditions of the N&C Securities found on pages 191 to 315 of the 2020 Base Prospectus (available at: <https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/nif-base-prospectus-2020.pdf>);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 334 to 394 of the 2020 Base Prospectus; and
 - (iii) the Technical Annexes found on pages 396 to 704 of the 2020 Base Prospectus.
- (s) the Terms and Conditions contained in the previous Base Prospectus dated 22 February 2021 (the **2021 February Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
- (i) the Terms and Conditions of the N&C Securities found on pages 199 to 324 of the 2021 February Base Prospectus (available at: <https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/nif-base-prospectus-2021.pdf>);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 346 to 406 of the 2021 February Base Prospectus; and
 - (iii) the Technical Annexes found on pages 408 to 718 of the 2021 February Base Prospectus.
- (t) the Terms and Conditions contained in the previous Base Prospectus dated 7 October 2021 (the **2021 October Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:
- (i) the Terms and Conditions of the N&C Securities found on pages 201 to 328 of the 2021 October Base Prospectus (available at: <https://www.nomuranow.com/portal/site/login/en-gb/resources/upload/nif-base-prospectus-071021.pdf>);
 - (ii) the Terms and Conditions of the W&C Securities found on pages 350 to 411 of the 2021 October Base Prospectus; and
 - (iii) the Technical Annexes found on pages 413 to 723 of the 2021 October Base Prospectus.
- (u) the Terms and Conditions contained in the previous Base Prospectus dated 6 October 2022 (the **2022 October Base Prospectus**) and prepared by the Issuer in relation to the Programme as follows:

- (i) the Terms and Conditions of the N&C Securities found on pages 210 to 372 of the 2022 October Base Prospectus (available at: <https://www.nomuranow.com/portal/site/public/en-gb/resources/upload/nif-base-prospectus-061022.pdf>);
- (ii) the Terms and Conditions of the W&C Securities found on pages 395 to 462 of the 2022 October Base Prospectus; and
- (iii) the Technical Annexes found on pages 464 to 777 of the 2022 October Base Prospectus.

The information incorporated by reference above is available as follows:

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Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. 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.

The Issuer and (in the case of Guaranteed Securities) the relevant Guarantor, will, in connection with the listing of any Securities issued under the Programme on the LuxSE, so long as the Securities remain outstanding and listed on either exchange, 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 Securities, advise the LuxSE and prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Securities to be listed on the LuxSE.

Copies of the documents incorporated by reference in this Base Prospectus will be available on the Luxembourg Stock Exchange's website (www.luxse.com).

For the avoidance of doubt, the English translation of the Quarterly Review Report of Ernst & Young ShinNihon LLC is included in the NHI Quarterly Securities Report for information purposes only and is not the definitive review report provided in respect of the original (Japanese language) NHI Quarterly Securities Report for the three months ended 30 June 2023.

The Issuer and (in the case of Guaranteed Securities) the relevant Guarantor may agree with any Dealer and the LuxSE that the Securities may be issued in a form not contemplated by the N&C Securities Conditions or the W&C Securities Conditions set out herein, in which event, in the case of Non-Exempt Securities only, a new prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Securities.

Any non-incorporated parts of a document referred to herein (which for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

For the avoidance of doubt, other than as specifically contemplated above, the content of any website referred to in this Base Prospectus does not form part of this Base Prospectus.

AVAILABLE INFORMATION

The following section applies to both Exempt Securities and Non-Exempt Securities.

To permit compliance with Rule 144A in connection with any resales or other transfers of Securities that are "restricted securities" within the meaning of the Securities Act, each of the Issuer and the Guarantors have undertaken in the Programme Agreement dated on or about 20 September 2023 to furnish, upon the request of a holder of such Securities or any beneficial interest therein, to such holder or to a prospective purchaser designated by them, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Securities remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act. Neither the Issuer nor the Guarantor (in the case of Guaranteed Securities) is a reporting company under Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The following section applies to both Exempt Securities and Non-Exempt Securities.

The Issuer is a corporation organised under the laws of Singapore. All of its directors and executive officers named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such executive officers and directors are located outside of the United States. It may not be possible, therefore, for U.S. investors to effect service of process within the United States upon the Issuer or these persons or to enforce against the Issuer or these persons judgments obtained in the United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. The Issuer believes that there is doubt as to the enforceability in Singapore, in original actions or in actions for enforcement of judgment of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States.

The NHI Guarantor is a limited liability, joint-stock corporation incorporated under the laws of Japan. Most of its directors and executive officers reside in Japan. Many of its assets and the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for U.S. investors to effect service of process within the United States upon the NHI Guarantor or these persons or to enforce against the NHI Guarantor or these persons judgments obtained in the United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. The NHI Guarantor believes that there is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgment of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States.

The NSC Guarantor is a limited liability, joint-stock corporation incorporated under the laws of Japan. Most of its directors reside in Japan. Many of its assets and the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for U.S. investors to effect service of process within the United States upon the NSC Guarantor or these persons or to enforce against the NSC Guarantor or these persons judgments obtained in the United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. The NSC Guarantor believes that there is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgment of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States.

CREDIT RATINGS

The following section applies to both Exempt Securities and Non-Exempt Securities.

The documents incorporated by reference disclose the credit ratings of the NHI Guarantor and the NSC Guarantor as provided by S&P Japan, Moody's Japan, Fitch Japan, R&I Japan and JCR.

Both R&I Japan and JCR are credit rating agencies nationally recognised in Japan. Each of the NHI Guarantor and the NSC Guarantor, as applicable, relies on, or utilises, credit ratings on its long-term and short-term debt provided by these Japanese credit rating agencies, as well as S&P Japan, Moody's Japan and Fitch Japan for unsecured funding and other financing purposes and also for its trading and other business activities.

Each of Moody's Japan, S&P Japan and Fitch Japan are not established in the EEA and have not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). Their ratings have, however, been endorsed by Moody's Deutschland GmbH (**Moody's Deutschland**), S&P Global Ratings Europe Limited (**SPGRE**) and Fitch Ratings Ireland Limited (**Fitch Ratings**) respectively, in each case, in accordance with the CRA Regulation. Each of Moody's Deutschland, SPGRE and Fitch Ratings are established in the EEA and are registered under the CRA Regulation. As such, Moody's Deutschland, SPGRE and Fitch Ratings are included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation. ESMA has indicated that ratings issued in Japan which have been endorsed by Moody's Deutschland, SPGRE and/or Fitch Ratings (respectively) may be used in the EEA by the relevant market participants.

Each of Moody's Japan, S&P Japan and Fitch Japan are not established in the United Kingdom and have not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**). The ratings have, however, been endorsed by Moody's Investors Service Ltd (**Moody's UK**), S&P Global Ratings UK Limited (**SPGRUK**) and Fitch Ratings Ltd (**Fitch UK**) respectively, in each case, in accordance with the UK CRA Regulation. Each of Moody's UK, SPGRUK and Fitch UK Ratings are established in the United Kingdom and are registered under the UK CRA Regulation.

R&I Japan is not established in the European Union and is not registered in accordance with the CRA Regulation. R&I Japan is therefore not included in the list of credit rating agencies published by ESMA on its website in accordance with such the CRA Regulation.

JCR is not established in the European Union and has not applied for registration under the CRA Regulation, but it is certified in accordance with the CRA Regulation and it is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation.

Each of R&I Japan and JCR is not established in the United Kingdom and has not applied for registration under the UK CRA Regulation.

A short description of the ratings is provided below based on the publicly available definitions published by each of the rating agencies.

Standard & Poor's

An obligor rated 'A' by S&P has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. An obligor rated 'BBB' by S&P exhibits adequate protection parameters. However adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's

Obligations rated 'A' by Moody's are judged to be upper-medium grade and are subject to low credit risk. Obligations rated 'Baa' by Moody's are 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.

Fitch

'A' ratings by Fitch denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers "+" or "-" may be appended to a rating by Fitch to denote relative status within major rating categories.

R&I Japan

An issuer rating is R&I's opinion on an entity's general capacity to fulfil its financial obligations and is, in principle, assigned to all issuers. A rating of 'A' by R&I Japan indicates high creditworthiness supported by a few excellent factors. A plus (+) or minus (-) sign may be appended to the categories from AA to CCC to indicate relative standing within each rating category. The plus and minus signs are part of the rating symbols.

JCR

JCR's Long-term Issuer Rating Scale enables comparison of the overall capacity of an obligor (issuer) to honour its entire financial obligations with the overall capacity of others. A long-term rating of AA given by JCR denotes a very high level of certainty to honour the financial obligations. A plus (+) or minus (-) sign may be affixed to the rating symbols from AA to B to indicate relative standing within each of those rating scales.

Securities issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Securities is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as any rating that may be assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "*Ratings of the Securities*" in the Risk Factors section of this Base Prospectus.

COMMONLY ASKED QUESTIONS ABOUT THE PROGRAMME

The following section applies to both Exempt Securities and Non-Exempt Securities.

This description is intended to give you an overview of the Issuer, the Guarantors and the types of Securities that may be issued under the programme. Any decision to invest in any Securities should only be made after you have carefully read and understood all of the information set out or incorporated by reference in this document and the applicable Final Terms.

Table of Commonly Asked Questions:

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1. Who are the Issuer and Guarantors under the Programme?

The Issuer, Nomura International Funding Pte. Ltd. is a private company limited by shares registered in Singapore under number 201212290E for an unlimited period. The liability of the members of the Issuer is limited. It has its registered office at 10 Marina Boulevard, Marina Bay Financial Centre, Tower 2, #36-01, Singapore 018983. The Issuer was incorporated under the Companies Act (Cap. 50) on 17 May 2012 as a direct, wholly owned subsidiary of Nomura Holdings, Inc., which is incorporated in Japan. A description of the Issuer is set out on pages 843 to 852 of this Base Prospectus.

The Issuer may issue guaranteed and unguaranteed Securities under the Programme as explained at Question 16 below. If the Securities are guaranteed the Guarantor will be either (i) Nomura Holdings, Inc. or (ii) Nomura Securities Co., Ltd. as specified in the applicable Final Terms.

Nomura Holdings, Inc. was incorporated in Japan on 25 December 1925 under the Commercial Code of Japan when the securities division of The Osaka Nomura Bank, Ltd. became a separate entity specialising in the trading and distribution of debt securities in Japan. Nomura Holdings, Inc. is the holding company of the Nomura Group.

Nomura Securities Co., Ltd. was incorporated in Japan on 7 May 2001 and is a direct, wholly-owned subsidiary of Nomura Holdings, Inc..

The registered head office of Nomura Holdings, Inc. is located at 13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8645, Japan, and the telephone number is +81-3-5255-1000. The registered head office of Nomura Securities Co., Ltd. is located at 13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8011, Japan, and the telephone number is +81-3-3211-1811. A description of Nomura Holdings, Inc. is set out on pages 853 to 862 of this Base Prospectus and a description of Nomura Securities Co., Ltd. is set out on pages 863 to 866 of this Base Prospectus.

The application of the Guarantee is explained at Question 16. below.

2. What types of product will be issued under the Programme?

The Issuer may issue Notes and redeemable Certificates (together, the **N&C Securities**), or Warrants and exercisable Certificates (together, the **W&C Securities** and, together with the N&C Securities, the **Securities**).

Securities issued under the Programme may be (i) admitted to trading on a regulated market in the EEA or offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation (a **Non-Exempt N&C Security** or a **Non-Exempt W&C Security** as applicable, and together **Non-Exempt Securities**) or (ii) neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation (an **Exempt N&C Security** or an **Exempt W&C Security** as applicable, and together **Exempt Securities**). At the start of each relevant section of this Base Prospectus an indication is given whether the section applies to Exempt Securities, Non-Exempt Securities or both.

The Issuer may issue conventional debt securities (in the form of N&C Securities) including fixed or floating rate notes as well as Securities with returns linked to one or more underlying asset or basis of reference (**Reference Item Linked Securities**). The returns on Securities may be received by investors in interest (in the case of N&C Securities) or additional amounts (in the case of W&C Securities) and/or on redemption (in the case of N&C Securities) or exercise (in the case of W&C Securities).

The return on Reference Item Linked Securities may be linked to the performance of one or a combination of a wide range of reference bases which may include, but will not be limited to, indices (including equity, bond, commodity or proprietary indices), shares, currency exchange rates, interest rates, commodities, fund shares or units, rates of inflation or the credit of one or more underlying entities. 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 Securities will specify the applicable returns, when such returns are payable or deliverable and the terms on which they are payable or deliverable. Any return will normally be paid by the Issuer at maturity (in the case of N&C Securities) or settlement (in the case of W&C Securities) as part of the applicable Final Redemption Amount (in the case of N&C Securities) or the

Cash Settlement Amount (in the case of W&C Securities). Any interest or additional amounts, as the case may be, will normally be paid by the Issuer on specified dates. In certain circumstances the return on redemption or settlement of Securities may be 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 Exercise Expenses or, in the case of Warrants, the relevant Exercise Price.

The relevant terms and conditions of a particular issue of Securities will be the terms and conditions for the Securities set out in this Base Prospectus as completed and, in the case of Exempt Securities only, supplemented and amended, in the applicable Final Terms.

3. *How much of my investment is at risk?*

Some of the N&C Securities will guarantee a minimum Final Redemption Amount on the Maturity Date for such N&C Securities. Other Securities will put the investor's investment at risk in whole or in part so that they may receive an amount or assets with a value less than their original investment or lose their entire investment. Investors should review the product terms and conditions to understand whether, and in what circumstances, an investor's investment is at risk. If the terms and conditions of a particular product mean that an investor's entire investment could be lost, an investor should only invest in the Securities if they are willing to accept that risk.

Each potential investor should also note that any return received on the Securities 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 Securities may not be suitable for a potential investor who would prefer a lower risk investment.

4. *What should I read before investing?*

You should carefully read and understand this Base Prospectus and the applicable Final Terms prior to investing in any Securities. Any decision to invest in any Securities should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference, and the applicable Final Terms. If the Securities are a packaged retail investment product for the purposes of the EU's PRIIPs regime (a **PRIIP**) or the UK's PRIIPs regime (a **UK PRIIP**), you should also ensure that you have carefully read and understood any key information document (**KID**) provided to you in respect of the Securities.

This Base Prospectus (including the documents incorporated by reference) contains information about the Issuer and the Guarantors, the general terms and conditions of Securities and general information about the offer and issue of Securities. The applicable Final Terms will contain the specific terms and conditions of such Securities together with information about how investors can purchase them (if applicable), product specific risk factors and other product specific information.

It is important that you obtain, carefully read and understand the applicable Final Terms for Securities in which you are considering to invest. See "General Information – Documents Available" for details of where you may obtain these.

5. *What will the Issuer do with my money?*

The Issuer intends to use the net proceeds from each issue of Securities issued by it for its general corporate purposes, which include making a profit. If in respect of any particular issue of W&C Securities, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

6. *What are the risks of investing in any Securities?*

Before making an investment in any Securities, you should carefully consider all of the information set out in the Base Prospectus relating to the relevant Securities 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 21 to 95 of this document and, in the case of Exempt Securities only, in the applicable Final Terms.

In order to offer the possibility of higher returns, some Securities will carry higher risks. You should review the applicable Final Terms for a series of Securities to understand whether your investment is designed to be at risk and the terms on which your investment will be repaid.

7. *What fees and expenses are payable in connection with my Securities?*

The Issuer has incurred and will continue to incur fees and expenses which do not directly relate to one or more specific series of Securities. These expenses include (without limitation) fees and expenses incurred or to be incurred by or on behalf of the Issuer in connection with the preparation of this document, the preparation and publication of financial statements and reports, and the general administration of the Issuer.

Certain fees and expenses (including but not limited to fees to be paid to distributor(s) and/or introducing brokers) which relate to a particular series of Securities may be applicable and, if so, may be described in the applicable Final Terms.

8. *What tax will I have to pay and how will tax affect payments made to me?*

General information relating to certain aspects of United States, Irish, Luxembourg and Singapore taxation, is set out under the heading "Taxation" on pages 867 to 889 of this Base Prospectus. If you are unsure of the tax implications of making an investment in any Securities you should obtain professional tax advice.

If withholding taxes are imposed on payments under Reference Item Linked N&C Securities (as described in more detail in the terms and conditions of the N&C Securities and in the applicable Final Terms), unless the provisions of Condition 9.1.2 are specified to apply to the Securities in the applicable Final Terms, the Issuer or, if applicable, the Guarantor will **not** pay any additional amounts to "gross-up" such payments. Such additional amounts will **only** be payable (with certain exceptions) for N&C Securities which are **not** Reference Item Linked N&C Securities or for those Reference Item Linked N&C Securities to which the provisions of Condition 9.1.2 apply.

In respect of W&C Securities, neither the Issuer nor the Guarantor (if applicable) shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment (including any stamp or transfer tax) which may arise as a result of the ownership, transfer, exercise or enforcement of any W&C Security by any person and all payments made by the Issuer or the Guarantor (if applicable) shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

9. *Will my Securities be listed on a Stock Exchange?*

An application has been made to the Luxembourg Stock Exchange, (the **LuxSE**) for Securities issued under the Programme to be listed on the LuxSE's Official List and to be admitted to trading on (i) the LuxSE's regulated market and (ii) the Euro MTF market of the LuxSE. The Programme provides that Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be agreed between the Issuer, the Guarantor (if applicable) and the relevant Dealer and specified in the Final Terms. The Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market. It will be disclosed in the applicable Final Terms whether the relevant Securities are intended to be listed and, if so, on which stock exchange.

10. *What are the terms on which Securities 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 Securities and the Issuer will be set out in the applicable Final Terms.

11. *How can I hold my Securities?*

Subject as provided below in the case of Swedish Securities, Finnish Securities and Swiss Securities (for which see "What are Swedish Securities?", "What are Finnish Securities?" and "What are Swiss Securities?" below), the Issuer intends that Securities will be issued in the following forms:

(a) N&C Securities

The N&C Securities of each Series will initially be represented by either a global security in bearer form or in registered form.

Each Tranche of Bearer N&C Securities will be initially issued in the form of a Temporary Bearer Global N&C Security or, if so specified in the applicable Final Terms, a Permanent Bearer Global N&C Security which, in either case, will:

- (i) if the Global N&C Securities are intended to be issued in new global note form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg; or
- (ii) if the Global N&C Securities are not intended to be issued in new global note form, be delivered on or prior to the original issue date of the Tranche to the Common Depository for Euroclear and Clearstream, Luxembourg.

On and after the date which is 40 days after a Temporary Bearer Global N&C Security is issued, interests in such Temporary Bearer Global N&C Security will be exchangeable either for (i) interests in a Permanent Bearer Global N&C Security or (ii) for definitive Bearer N&C Securities with, where applicable, receipts, interest coupons and talons attached, in each case against certification of beneficial ownership.

The Registered N&C Securities of each Series offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Regulation S Global N&C Security**). The Registered N&C Securities of each Tranche offered and sold (a) in the United States to QIBs within the meaning of Rule 144A who are also each a QP or (b) to, or for the account or benefit of, U.S. persons who are QIBs who are also QPs will be represented by a global note in registered form (a **Rule 144A Global N&C Security** and, together with a Regulation S Global N&C Security, each a **Registered Global N&C Security**).

Registered Global N&C Securities will either (i) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company (DTC) or (ii) be deposited with a common depository for Euroclear and Clearstream, Luxembourg, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Persons holding beneficial interests in Registered Global N&C Securities will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive N&C Securities in fully registered form.

(b) **W&C Securities**

W&C Securities sold (a) in the United States to QIBs within the meaning of Rule 144A who are also each a QP or (b) to, or for the account or benefit of, U.S. persons who are QIBs and also QPs will be represented by a Rule 144A Global W&C Security (the **Rule 144A Global W&C Security**). In the event that the applicable Final Terms does not specify that the W&C Securities are eligible for sale (a) in the United States to QIBs who are also QPs, (b) to, or for the account or benefit of, U.S. persons who are QIBs and also QPs, the W&C Securities will be represented by a Permanent Global W&C Security (the **Permanent Global W&C Security**). If it is specified in the applicable Final Terms that W&C Securities as described above may also be sold outside of the United States in offshore transactions to non-U.S. persons in reliance on Regulation S and pursuant to CFTC rules, regulations and guidance, such interest in W&C Securities will be represented by a Regulation S Global W&C Security (the **Regulation S Global W&C Security**).

Each Permanent Global W&C Security and Regulation S Global W&C Security will be deposited with a Common Depository on behalf of Euroclear and Clearstream, Luxembourg. A Rule 144A Global W&C Security will be either (i) deposited with the New York Security Agent as custodian for, and registered in the name of a nominee of, The Depository Trust Company (DTC) and references herein to W&C Securities "held through" DTC will be deemed to be references to W&C Securities so represented, or (ii) deposited with a Common Depository common to Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Unless otherwise expressly stated in the applicable Final Terms, each Global W&C Security will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg.

In the case of W&C Securities represented by a Regulation S Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, if the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or the Issuer receives a

notice from DTC as described below in relation to the Rule 144A Global W&C Security held through DTC corresponding to the same Series of W&C Securities as such Regulation S Global W&C Security, the Issuer will promptly give notice to Securityholders in accordance with W&C Securities Condition 9 and will deliver W&C Securities in definitive registered form (bearing such legends as may be required by the Issuer) in exchange for the Regulation S Global W&C Security.

In the case of W&C Securities represented by a Rule 144A Global W&C Security held through DTC, if DTC notifies the Issuer that it is unwilling or unable to continue as a depositary for that Rule 144A Global W&C Security, or if at any time DTC ceases to be a "clearing agency" registered under the U.S. Securities Exchange Act of 1934, as amended, and a successor depositary is not appointed by the Issuer within 90 days of such notice, or the Issuer receives notice as described above in respect of the closure of Euroclear and Clearstream, Luxembourg in relation to the Regulation S Global W&C Security held through Euroclear and Clearstream, Luxembourg corresponding to the same Series of W&C Securities as such Rule 144A Global W&C Security, the Issuer will deliver W&C Securities in definitive registered form (bearing such legends as may be required by the Issuer) in exchange for that Rule 144A Global W&C Security.

Except in the circumstances described in the preceding two paragraphs, owners of beneficial interests in a Global W&C Security will not be entitled to have any portion of such W&C Securities registered in their name and will not receive or be entitled to receive physical delivery of registered W&C Securities in definitive form in exchange for their interests in that Global W&C Security. Transfer, exercise, termination, settlement and other mechanics related to any W&C Securities issued in definitive form in exchange for W&C Securities represented by a Global W&C Security shall be as agreed between the Issuer, the Principal Agent and, in the case of W&C Securities represented by a Rule 144A Global W&C Security, the New York Security Agent.

12. *Will I be able to sell my Securities?*

Nomura International plc 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 Securities unless otherwise stated in the applicable Final Terms. However, it is not obliged to do so and, even if it does, may cease such activities at any time.

13. *What do I have to do to exercise my rights in respect of the Securities?*

Investors' rights relating to the Securities represented by a Global Security are governed by the procedures of the relevant Clearing Systems and the terms and conditions of the Securities, as completed and, in the case of Exempt Securities only, supplemented and amended, in the applicable Final Terms. Investors should note that rights relating to certain Securities may expire if the Securities are not duly exercised prior to the specified cut-off date. An investor wanting rights in respect of Securities to be exercised on their behalf should contact their bank or broker.

It is important that you obtain, carefully read and understand the terms and conditions and applicable Final Terms for the Securities in which you are considering to invest.

14. *Is there a limit on the amount of Securities the Issuer will issue for each series?*

The maximum aggregate nominal amount of N&C Securities issued by the Issuer and from time to time outstanding under the Programme will not exceed USD13,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement). However, this limit may be varied in accordance with the procedures specified under the Programme Agreement. The Issuer can issue a series of Securities at any time without giving investors notice or obtaining their consent. Any additional Securities issued by the Issuer will rank equally with all existing Securities issued.

15. *How are payments made?*

In the case of Securities represented by a Global Security, the Issuer will make payments by paying the total amount payable to the relevant clearing system(s) in accordance with the rules and policies of the clearing systems(s) or in the case of Warrants (other than where Automatic Exercise applies) to the account specified by the Securityholder in the relevant Exercise Notice.

The clearing system will credit the appropriate amount to the account of each Securityholder (which may include intermediaries such as banks or brokers), in accordance with its rules or policies.

Neither the Issuer nor the Guarantors have an obligation to make payments directly to investors in the Securities. Each investor in the Securities must look to the clearing system or its bank or broker for payments on such investor's Securities.

If the date specified for payment is not a business day, the Issuer will make the relevant payment on the first following day that is a business day. 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 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 Securities.

In the case of Physical Delivery Securities, delivery of the Entitlement will be made directly to the Securityholder in accordance with the delivery method specified in the terms and conditions.

For Securities not held through a clearing system, the "Securityholder" will be the investor shown on the register (in the case of registered Securities) or the investor who physically holds the Security (in the case of bearer Securities). To receive payment of principal, interest or other amounts, you will need to contact the relevant Agent and present evidence of your holding of the Security. The Issuer will not make payments to you directly but will do so through the relevant Agents.

16. *Will my Securities be guaranteed?*

Securities will not have the benefit of the NHI Guarantee unless (i) it is stated in the applicable Final Terms that the NHI Guarantee is applicable and (ii), in the case of W&C Securities, the application of the NHI Guarantee to any Series of W&C Securities is specifically authorised by (a) an executive officer of the NHI Guarantor authorised by the NHI Guarantor's Executive Management Board or (b) a delegate appointed by such executive officer of the NHI Guarantor, as applicable, and the date of such authorisation is included in the applicable Final Terms.

Securities will not have the benefit of the NSC Guarantee unless (i) it is stated in the applicable Final Terms that the NSC Guarantee is applicable and (ii), in the case of W&C Securities, the application of the NSC Guarantee to any Series of W&C Securities is specifically authorised by (a) a director and an executive vice president of the NSC Guarantor authorised by the NSC Guarantor's Executive Management Board or (b) a delegate appointed by such director and executive vice president of the Guarantor, as applicable, and the date of such authorisation is included in the applicable Final Terms.

Where a guarantee is not applicable in respect of a series of Securities, such Securities will not have the benefit of any guarantee by the NHI Guarantor, the NSC Guarantor or any other party and Securityholders will have recourse only to the Issuer.

17. *What are the Reference Items to which my Securities may be linked?*

The interest and/or repayment/delivery terms of the Securities issued under this Programme may be linked to a number of different Reference Items (**Reference Items**), which may include:

- (a) a share (or a global depositary receipt or American depositary receipt or a preference share);
- (b) an equity index;
- (c) a commodity;
- (d) a commodity index;
- (e) a foreign exchange rate;
- (f) an interest rate;
- (g) a swap rate;
- (h) a fund (regulated or unregulated, mutual, exchange traded or hedge fund);
- (i) an inflation index;

- (j) the credit of a reference entity or group of reference entities, including reference entities comprised in a credit index;
- (k) any other financial, economic or other measures or instruments including the occurrence or non-occurrence of any event or circumstance and credit events relating to one or more issuers or securities;
- (l) a series of preference shares (in the case of Preference Share Linked N&C Securities);
- (m) a basket of the above; or
- (n) any combination of any of the above.

18. *How is the value of my investment affected by the value of the underlying Reference Items?*

Where the Securities are Reference Item Linked Securities the value of the interest and/or redemption payments and/or cash settlement amount(s) and/or other amounts due in respect of the Securities and/or the timing and/or entitlement to such payments or amounts may be determined by reference to the value of the relevant Reference Items. Set out below is a description of such linkage in respect of each type of Non-Exempt Interest N&C Securities, Non-Exempt Redemption N&C Securities and Non-Exempt W&C Securities. Investors should note that the value of the interest or redemption payments due under the Securities may be different from the value of the Securities if sold in the secondary market. The value of the Securities if sold in the secondary market may reflect a number of variables and may be less (or substantially less) than the then value of any remaining payments or amounts that may become due under the relevant Securities. Investors should review the risk factors generally, including those risk factors relating to Securities linked to the relevant Reference Item.

Investors should note that the descriptions below are subject to certain powers and obligations that the Issuer and/or Calculation Agent may have to early redeem and cancel the Securities or adjust the terms of the Securities (including, without limitation, (i) substituting or removing one or more of the Reference Item(s) to be valued, (ii) adjusting the dates for, approach to or substituting estimations for, such valuation(s) and (iii) the approach to calculation of any amount to be paid under the Securities). Such powers arise on the occurrence of certain events in relation to the Securities or one or more of the relevant Reference Item(s). Depending on the type of Reference Item these may include, amongst others, certain potential adjustment events, adjustment events, disruption events (including market disruption events), additional disruption events and extraordinary events. The Terms and Conditions may also permit the Issuer to early redeem and cancel the Securities for tax reasons, following a regulatory event or where the performance of the Issuer's and/or the Guarantor's obligations have or will become unlawful, illegal or otherwise prohibited. Each of the redemption and cancellation and adjustment provisions discussed above are as further described in the Risk Factors section of this Base Prospectus and the Terms and Conditions of the relevant Securities which an investor should read carefully. Where the Securities are early redeemed and cancelled, the amount an investor receives may be significantly less than the outstanding nominal amount of the Securities.

(i) *FX Fixed Interest N&C Securities*

The Reference Items for FX Fixed Interest N&C Securities are two or more currencies. These currencies are each of the Specified Currency, the Settlement Currency and, where applicable, any Currency Pair(s), (in each case as specified in the applicable Final Terms). The interest rate (i.e. the Rate of Interest) used to calculate the interest payable to an investor in respect of each Coupon Period is calculated by reference to the relative performance of the Specified Currency and the Settlement Currency, as reflected by the spot rate of exchange between those currencies. The Rate of Interest will be determined by the Calculation Agent at the Valuation Time on the Valuation Date, in accordance with the provisions of N&C Securities Condition 22.1.1 as completed by the information set out at paragraph 33 of Part A of the applicable Final Terms.

For the purpose of calculating the Rate of Interest, and subject to the Calculation Agent's further discretion under N&C Securities Condition 22.1.1, the spot rate of exchange will be either (i) determined by reference to the relevant FX Price Source or (ii) where one or more Currency Pairs are specified on the applicable Final Terms, implied from the fixing rate of such Currency Pair(s), in each case, as published on the relevant FX Price Source for such Currency Pair(s). If the Fixed FX Interest N&C Security is specified as a Currency 1

Fixed Rate N&C Security, if the Specified Currency increases in value against the Settlement Currency the Rate of Interest payable for that Coupon Period will be increased.

If the Fixed FX Interest N&C Security is specified as a Currency 2 Fixed Rate N&C Security, if the Specified Currency increases in value against the Settlement Currency the Rate of Interest payable for that Coupon Period will be decreased.

(ii) *Equity Basket Conditional Interest N&C Securities*

The Reference Items for Equity Basket Conditional Interest N&C Securities are the Shares in the relevant Share Basket. The Shares in the Share Basket are specified in the applicable Final Terms. Interest payments on Equity Basket Conditional Interest N&C Securities are linked to the performance of those Shares.

The interest rate (i.e. the Rate of Interest) used to calculate the interest payable to an investor in respect of a Coupon Payment Date will be calculated in accordance with the provisions of N&C Securities Condition 22.1.2 as completed by the information set out at paragraph 33 of Part A of the applicable Final Terms. Such interest rate will depend on whether or not a Conditional Coupon Barrier Event has occurred in respect of the corresponding Observation Date. A Conditional Coupon Barrier Event occurs if the performance of the worst performing Share is less than or equal to a pre-determined level (the Conditional Coupon Barrier Level specified in the Final Terms) on the relevant Observation Date. If a Conditional Coupon Barrier Event has not occurred, the Securities will pay a higher rate of interest (the Base Rate of Interest). If a Conditional Coupon Barrier Event has occurred the Securities will pay a lower rate of interest (the Floor Rate of Interest, which may be zero and if this is the case no interest will be payable in respect of any relevant Coupon Payment Date). The Base Rate of Interest and the Floor Rate of Interest are specified in the Final Terms as a fixed rate and are not linked to the performance of the Shares.

(iii) *Index Basket Conditional Interest N&C Securities*

The Reference Items for Index Basket Conditional Interest N&C Securities are the Indices in the relevant Index Basket. The Indices in the Index Basket are specified in the applicable Final Terms. Interest payments on Index Basket Conditional Interest N&C Securities are linked to the performance of the relevant Indices.

The interest rate (i.e. the Rate of Interest) used to calculate the interest payable to an investor in respect of a Coupon Payment Date will be calculated in accordance with the provisions of N&C Securities Condition 22.1.3 as completed by the information set out at paragraph 31 of Part A of the applicable Final Terms. Such interest rate will depend on whether or not a Conditional Coupon Barrier Event has occurred in respect of the corresponding Observation Date. A Conditional Coupon Barrier Event occurs if the performance of the worst performing Index is less than or equal to a pre-determined level (the Conditional Coupon Barrier Level specified in the Final Terms) on the relevant Observation Date. If a Conditional Coupon Barrier Event has not occurred, a higher rate of interest will apply (the Base Rate of Interest). If a Conditional Coupon Barrier Event has occurred a lower rate of interest will apply (the Floor Rate of Interest, which may be zero and if this is the case no interest will be payable in respect of any Coupon Payment Date to which such rate applies). The Base Rate of Interest and the Floor Rate of Interest are specified in the Final Terms, in each case as a fixed rate which is not linked to the performance of the relevant Indices.

(iv) *Multi-Rate Interest N&C Securities*

The Reference Items for the Multi-Rate Interest N&C Securities are the interest rate(s) (i.e. each of the Floating Rate Options specified as the First Rate and the Second Rate (if any) and the fixed rate specified as the Third Rate (if any)) specified in the applicable Final Terms. The interest rate (i.e. the Rate of Interest) used to calculate the interest payable to an investor in respect of each Coupon Period is calculated by reference to (a) the combined weighted performance of the Floating Rate Option(s) (subject to any First Rate Cap, Second Rate Cap, First Rate Floor or Second Rate Floor that may be specified in the applicable Final Terms) plus (b) the fixed rate (in each case as specified) (i.e. the applicable Rates Performance) in accordance with the provisions of N&C Securities Condition 22.1.4 as completed by the information set out at paragraph 35 of Part A of the applicable Final Terms.

Subject to the Cap and the Floor (as further described below) and any First Rate Cap, Second Rate Cap, First Rate Floor or Second Rate Floor, the greater the arithmetic combination of the weighted performance of the specified Floating Rate Option(s) (where specified) and any specified fixed rate, the higher the Rate

Performances in respect of a Coupon Period and hence the higher the Rate of Interest payable for such Coupon Period. The weighting of each of the First Rate and the Second Rate is achieved by multiplying (a) the relevant rate (as calculated by reference to the relevant specified Floating Rate Option (if any) and any applicable cap or floor) by (b) the applicable rate amount (i.e. the First Rate Amount or Second Rate Amount respectively). Where a First Rate and a Second Rate are specified and the First Rate Amount is greater than the Second Rate Amount, the first rate will have a proportionately greater effect on the Rate of Interest than the Second Rate and *vice versa*.

In addition to any First Rate Cap, Second Rate Cap, First Rate Floor or Second Rate Floor that may apply to the First Rate and Second Rate respectively, the Rate of Interest for Multi-Rate Interest N&C Securities is also subject to a Cap, which the Rate of Interest will not exceed, and a Floor which the Rate of Interest will not fall below, in each case regardless of the relevant Rates Performance. Each of the Cap and the Floor will be a percentage rate specified in the applicable Final Terms.

(v) Range Accrual Interest N&C Securities

The Reference Items for Range Accrual Interest N&C Securities are (i) the Floating Rate Option(s) (i.e. each of the First Rate and the Second Rate (if any)), (ii) the Range Day Rate (which, if Single Rate Determination, is specified in the applicable Final Terms will reflect the Floating Rate Option specified in respect of the Range Day Rate or, if Dual Rate Determination is specified in the applicable Final Terms, will be calculated by reference to the Floating Rate Options specified in respect of Dual Rate 1 and Dual Rate 2) and (iii) the fixed rate (if any) (i.e. the Third Rate) in each case as specified in the applicable Final Terms. Investors should note that the Range Day Rate and either Dual Rate 1 or Dual Rate 2 (in each case if applicable) may be the same as either the First Rate or the Second Rate. The interest rate (i.e. the Rate of Interest) used to calculate the interest payable to an investor in respect of each Coupon Period is calculated by reference to the performance of the relevant Floating Rate Option(s) and the specified fixed rate (if any) in accordance with the provisions of N&C Securities Condition 22.1.5 as completed by the information set out at paragraph 36 of Part A of the applicable Final Terms and subject in each case to the relevant Rate of Interest Cap (if any) and Rate of Interest Floor.

The Rate of Interest in respect of a Coupon Period is calculated by multiplying (i) the Rates Performance for such Coupon Period (being the weighted combination of the rates calculated in respect of each of the First Rate and the Second Rate plus the Third Rate (if any)) by (ii) the Range Day Accrual Rate for such Coupon Period. However, if the rate so calculated is greater than the Rate of Interest Cap (if any), the Rate of Interest will be the relevant Rate of Interest Cap or if the rate so calculated is less than the Rate of Interest Floor, the Rate of Interest will be the relevant Rate of Interest Floor. The weighting of each of the First Rate and the Second Rate (where applicable) is achieved by multiplying the rate calculated for the relevant Floating Rate Option by the applicable rate amount (i.e. the First Rate Amount or Second Rate Amount respectively). Where a First Rate and a Second Rate are specified and the First Rate Amount is greater than the Second Rate Amount, the first rate will have a proportionately greater effect on the Rate of Interest than the Second Rate and *vice versa*.

If "Single Rate Observation Date" is specified as "Applicable" in the applicable Final Terms, the Range Day Accrual Rate for a Coupon Period will either be (a) 1, if on the single Rate Observation Date for such Coupon Period the Range Day Rate was equal to or greater than the Lower Barrier and equal to or less than the Upper Barrier or (b) zero, if on the single Rate Observation Date for such Coupon Period the Range Day Rate was lower than the Lower Barrier or greater than the Upper Barrier. This means that if on the Rate Observation Date for a Coupon Period the Range Day Rate was lower than the Lower Barrier or greater than the Upper Barrier no interest will be paid in respect of such Coupon Period (subject to any Rate of Interest Floor), notwithstanding the fact that on other days during the relevant Coupon Period the Range Day Rate may have been trading within the relevant range (i.e. between the Lower Barrier and Upper Barrier).

If "Single Rate Observation Date" is specified as "Not Applicable" in the applicable Final Terms, the Range Day Accrual Rate for a Coupon Period is a rate expressed as a percentage which reflects the number of days in that Coupon Period in respect of which the Range Day Rate was equal to or greater than the Lower Barrier and equal to or less than the Upper Barrier which rate is determined by reference to the relevant Range Day Numerator and Range Day Denominator. Investors should note that, for the purpose of determining the Range Day Numerator, the Range Day Rate for each day in a Coupon Period from and including the specified Rate Cut-off Date will be deemed to be that for the Rate Cut-off Date. As such, the greater the total number of days

within a Coupon Period on which the Range Day Rate is equal to or greater than the Lower Barrier and equal to or less than the Upper Barrier, the higher the Rate of Interest payable for such Coupon Period (the relevant Lower Barrier and Upper Barrier, each as specified in the applicable Final Terms). Whether the days counted for such purpose are calendar days or Business Days will be specified in the applicable Final Terms.

The Rates Performance for Range Accrual Interest N&C Securities is also subject to a cap (the relevant Rates Performance Cap), which the Rates Performance will never exceed, and a floor (the relevant Rates Performance Floor) which the Rates Performance will never fall below. Each of the Rate of Interest Cap (if any), the Rate of Interest Floor, the Rates Performance Cap and the Rates Performance Floor will be percentage rates specified in the applicable Final Terms.

(vi) *Dual Range Accrual Interest N&C Securities*

The Reference Items for Dual Range Accrual Interest N&C Securities are (i) the Floating Rate Option(s) (i.e. each of the First Rate and the Second Rate (if any), (ii) each of Range Day Rate 1 and Range Day Rate 2 and (iii) the fixed rate (if any) (i.e. the Third Rate) in each case as specified in the applicable Final Terms. If Single Rate Determination, is specified in the applicable Final Terms in respect of a Range Day Rate, that Range Day Rate will reflect the Floating Rate Option specified in respect of that Range Day Rate or, if Dual Rate Determination is specified in the applicable Final Terms in respect of a Range Day Rate, that Range Day Rate will be calculated by reference to the Floating Rate Options specified in respect of Dual Rate 1 and Dual Rate 2 for such Range Day Rate). Investors should note that either Range Day Rate and either of Dual Rate 1 or Dual Rate 2 as specified in respect of either Range Day Rate (in each case if applicable) may be the same as either the First Rate or the Second Rate. The interest rate (i.e. the Rate of Interest) used to calculate the interest payable to an investor in respect of each Coupon Period is calculated by reference to the performance of the relevant Floating Rate Option(s) and the specified fixed rate (if any) in accordance with the provisions of N&C Securities Condition 22.1.6 as completed by the information set out at paragraph 37 of Part A of the applicable Final Terms and subject in each case to the relevant Rate of Interest Cap (if any) and Rate of Interest Floor.

The Rate of Interest in respect of a Coupon Period is calculated by multiplying (i) the Rates Performance for such Coupon Period (being the weighted combination of the rates calculated in respect of each of the First Rate and the Second Rate plus the Third Rate (if any)) by (ii) the Range Day Accrual Rate for such Coupon Period. However, if the rate so calculated is greater than the Rate of Interest Cap (if any), the Rate of Interest will be the relevant Rate of Interest Cap or if the rate so calculated is less than the Rate of Interest Floor, the Rate of Interest will be the relevant Rate of Interest Floor. The weighting of each of the First Rate and the Second Rate (where applicable) is achieved by multiplying the rate calculated for the relevant Floating Rate Option by the applicable rate amount (i.e. the First Rate Amount or Second Rate Amount respectively). Where a First Rate and a Second Rate are specified and the First Rate Amount is greater than the Second Rate Amount, the first rate will have a proportionately greater effect on the Rate of Interest than the Second Rate and vice versa.

If "Single Rate Observation Date" is specified as "Applicable" in the applicable Final Terms, the Range Day Accrual Rate for a Coupon Period will either be (a) 1, if on the single Rate Observation Date for such Coupon Period both Range Day Rate 1 was equal to or greater than its Lower Barrier and equal to or less than its Upper Barrier and Range Day Rate 2 was equal to or greater than its Lower Barrier and equal to or less than its Upper Barrier or (b) otherwise, zero. This means that if on the Rate Observation Date for a Coupon Period either (i) Range Day Rate 1 was lower than the Lower Barrier or greater than the Upper Barrier or (ii) Range Day Rate 2 was lower than the Lower Barrier or greater than the Upper Barrier, or both such conditions are met, no interest will be paid in respect of such Coupon Period (subject to any Rate of Interest Floor), notwithstanding the fact that on other days during the relevant Coupon Period both such Range Day Rates may have been trading within their respective ranges (i.e. between their respective Lower Barriers and Upper Barriers).

If "Single Rate Observation Date" is specified as "Not Applicable" in the applicable Final Terms, the Range Day Accrual Rate for a Coupon Period is a rate expressed as a percentage which reflects the number of days in that Coupon Period in respect of which both (i) Range Day Rate 1 was equal to or greater than its Lower Barrier and equal to or less than its Upper Barrier and (ii) Range Day Rate 2 was equal to or greater than its Lower Barrier and equal to or less than its Upper Barrier, which rate is determined by reference to the relevant Range Day Numerator and Range Day Denominator. Investors should note that, for the purpose of determining the Range Day Numerator, each Range Day Rate for each day in a Coupon Period from and including the

specified Rate Cut-off Date will be deemed to be the respective Range Day Rate for the Rate Cut-off Date. As such, the greater the total number of days within a Coupon Period in respect of which both Range Day Rate 1 and Range Day Rate 2 are equal to or greater than their respective Lower Barriers and equal to or less than their respective Upper Barriers, the higher the Rate of Interest payable for such Coupon Period (the relevant Lower Barriers and Upper Barriers, each as specified in the applicable Final Terms). Whether the days counted for such purpose are calendar days or Business Days will be specified in the applicable Final Terms.

The Rates Performance for Dual Range Accrual Interest N&C Securities is also subject to a cap (the relevant Rates Performance Cap), which the Rates Performance will never exceed, and a floor (the relevant Rates Performance Floor) which the Rates Performance will never fall below. Each of the Rate of Interest Cap (if any), the Rate of Interest Floor, the Rates Performance Cap and the Rates Performance Floor will be percentage rates specified in the applicable Final Terms.

(vii) *Leveraged Inflation Interest N&C Securities*

The Reference Item for Leveraged Inflation Interest N&C Securities is the inflation index (i.e. the Index) specified in the applicable Final Terms. The interest rate (i.e. the Rate of Interest) used to calculate the interest payable to an investor in respect of each Coupon Period is calculated by reference to the performance of the Index in accordance with the provisions of N&C Securities Condition 22.1.7 as completed by the information set out at paragraph 38 of Part A of the relevant Final Terms.

In respect of a Coupon Period, the Rate of Interest will be calculated as the sum of (i) the Base Rate of Interest and (ii) subject to the Cap and the Floor (as further described below), the Leveraged Index Performance. The Leveraged Index Performance is equal to the product of (i) the Leverage and (ii) the Index Performance *minus* the Strike. The Index Performance in respect of any Coupon Period is calculated as the percentage change in value of the Index between (a) the month in which the "Initial Index Level" is taken for such Coupon Period and (b) the month in which the "Final Index Level" is taken for such Coupon Period (i.e. the relevant "Reference Month"). Where Linear Interpolation is specified as applying to the Securities in the applicable Final Terms, instead of observing the Index Level in a single Reference Month for the purposes of determining the Final Index Level for a Coupon Period, the Final Index Level will instead be calculated by observing the Index Level for Reference Month falling "x" months prior to the Coupon Accrual Date for the relevant Coupon Period ("x" being as specified in the applicable Final Terms) and then adjusting this Index Level to reflect the change in the Index Level over a further period occurring prior to the month in which the Coupon Accrual Date for the relevant Coupon Period falls. The amount of such adjustment will be determined on the basis of the change in value of the Index between Reference Month "x" and a second Reference Month falling "y" months prior to the relevant Coupon Accrual Date ("y" also being as specified in the applicable Final Terms) and the number of days in the period in respect of which such adjustment is required to be made, all in accordance with the formula set out for such purpose in N&C Securities Condition 22.1.7.

The Leverage and the Strike will be a number expressed as a percentage and will be specified in paragraph 38 of Part A of the relevant Final Terms.

The Leveraged Index Performance is subject to a Cap (being a specified percentage that the Leveraged Index Performance will never exceed), and a Floor (being a specified percentage that the Leveraged Index Performance will never fall below). As such, the Rate of Interest will never be less than the Base Rate of Interest plus the Floor and will never be greater than the Base Rate of Interest plus the Cap. Both the Cap and the Floor will be specified in paragraph 38 of Part A of the relevant Final Terms.

(viii) *Swap Rate Linked Interest N&C Securities*

The Reference Items for the Swap Rate Linked Interest N&C Securities are the swap rate(s) (i.e. each of the Floating Rate Options specified as a Single Swap Rate, First Swap Rate and Second Swap Rate (in each case, if any)) specified in the applicable Final Terms. The interest rate (i.e. the Rate of Interest) used to calculate the interest payable to an investor in respect of each Coupon Period is calculated by reference to either:

- (a) if "Single Swap Rate Determination" is specified in respect of the relevant Coupon Period, the relevant Single Swap Rate Performance, provided that such interest rate will not be greater than any Maximum Rate of Interest or less than any Minimum Rate of Interest specified in respect of the relevant Coupon Period in the applicable Final Terms;

- (b) if "Dual Swap Rate Determination" is specified in respect of the relevant Coupon Period, the relevant Swap Rate Performance, provided that such interest rate will not be greater than any Maximum Rate of Interest or less than any Minimum Rate of Interest specified in respect of the relevant Coupon Period in the applicable Final Terms; and
- (c) if "Dual Swap Rate Outperformance Determination" is specified in respect of the relevant Coupon Period, the relevant Swap Rate Performance, provided that such interest rate will not be greater than any Maximum Rate of Interest or less than any Minimum Rate of Interest specified in respect of the relevant Coupon Period in the applicable Final Terms.

in each case in accordance with the provisions of N&C Securities Condition 22.1.8 as completed by the information set out at paragraph 39 of Part A of the relevant Final Terms.

In the case of Single Swap Rate Determination, the relevant Single Swap Rate Performance for a Coupon Period will be determined as (i) the applicable leverage factor (LF) multiplied by (ii) the rate determined in respect of the relevant Swap Rate plus (iii) the relevant fixed amount percentage (FA). Each of the leverage factor (LF) and fixed amount percentage (FA) is as specified in respect of each Coupon Period in the applicable Final Terms. The Swap Rate will be determined on the basis of ISDA determination in accordance with the relevant Floating Rate Option, Designated Maturity and Reset Date specified in the applicable Final Terms in respect of the relevant Swap Rate. Note that where the leverage factor (LF) or the fixed amount percentage (FA) has a negative value, this will have the effect of reducing the Rate of Interest payable on the Securities (subject to any Minimum Rate of Interest that may be specified in the applicable Final Terms).

In the case of Dual Swap Rate Determination, the relevant Swap Rate Performance for a Coupon Period will be determined as the sum of (i) the rate determined in respect of the relevant First Swap Rate, (ii) the rate determined in respect of the relevant Second Swap Rate as multiplied by the applicable leverage factor (LF_1) and (iii) the relevant Rate Deduction Factor as multiplied by the applicable leverage factor (LF_2). Leverage factors LF_1 and LF_2 are as specified in respect of each Coupon Period in the applicable Final Terms. The First Swap Rate and Second Swap Rate shall not be greater than any First Swap Rate Cap or Second Swap Rate Cap (respectively) nor less than any First Swap Rate Floor or Second Swap Rate Floor (respectively), in each case as specified in respect of the relevant Coupon Period but will otherwise be determined on the basis of ISDA determination in accordance with the relevant Floating Rate Option, Designated Maturity and Reset Date specified in the applicable Final Terms in respect of the relevant First Swap Rate and Second Swap Rate (as applicable). Note that where leverage factors LF_1 or LF_2 have negative values, this will have the effect of reducing the Rate of Interest payable on the Securities (subject to any Minimum Rate of Interest that may be specified in the applicable Final Terms).

In the case of Dual Swap Rate Outperformance Determination, the relevant Swap Rate Performance for a Coupon Period will be determined as (i) the rate determined in respect of the relevant First Swap Rate minus (ii) the rate determined in respect of the relevant Second Swap Rate minus (iii) the relevant Rate Deduction Factor. The First Swap Rate and Second Swap Rate shall not be greater than any First Swap Rate Cap or Second Swap Rate Cap (respectively) nor less than any First Swap Rate Floor or Second Swap Rate Floor (respectively), in each case as specified in respect of the relevant Coupon Period but will otherwise be determined on the basis of ISDA determination in accordance with the relevant Floating Rate Option, Designated Maturity and Reset Date specified in the applicable Final Terms in respect of the relevant First Swap Rate and Second Swap Rate (as applicable).

(ix) *FX Redemption N&C Securities*

The Reference Items for FX Redemption N&C Securities are the currencies that constitute the Currency Pair(s) and, where applicable, any Alternate Currency Pair(s) (in each case, as specified in the applicable Final Terms). The Final Redemption Amount payable on the Maturity Date of the FX Redemption N&C Securities is calculated by reference to the relative performance of the currencies in each such Currency Pair as determined by reference to the spot rate of exchange between those currencies (reflected in the Settlement Rate for the relevant Currency Pair). The Final Redemption Amount will be determined by the Calculation Agent at the Valuation Time on the Valuation Date, all in accordance with the provisions of N&C Securities Condition 22.2.1 as completed by the information set out at paragraph 33 of Part A of the applicable Final Terms. For the purpose of calculating the Final Redemption Amount, the Settlement Rate for each Currency Pair will (subject

to the Calculation Agent's further discretion under N&C Securities Condition 22.2.1) be either (i) determined by reference to the fixing rate for such Currency Pair as published on the relevant FX Price Source for such Currency Pair or (ii) where two or more Alternate Currency Pairs are specified in the applicable Final Terms, implied from the fixing rate for each such Alternate Currency Pair, in each case, as published on the relevant FX Price Source for each such Alternate Currency Pair.

FX Redemption N&C Security will be redeemed on the Maturity Date by payment of the Final Redemption Amount.

Subject to the Floor (as discussed further below), the Final Redemption Amount will be calculated by multiplying the specified Calculation Amount for the Securities by the leveraged weighted sum of the changes in value of the Settlement Rate for each Currency Pair relative to the specified Strike Rate for such Currency Pair. Where the leverage is specified to be 100 per cent, the application of the leverage to the weighted sum of the changes in value will have no effect on the Final Redemption Amount. The weighting and Strike Rate for each Currency Pair and the Leverage are all as specified in the applicable Final Terms. The Floor is a percentage specified in the applicable Final Terms. The Final Redemption Amount will not be less than the product of the Calculation Amount and the Floor.

The approach to calculation of the change in value of the Settlement Rate relative to the applicable Strike Rate and the effect that this will have on the Final Redemption Amount will depend on the respective specifications of X, Y and Z in the applicable Final Terms.

- (a) Where X_i means Strike Rate, Y_i means Settlement Rate and Z_i means Settlement Rate, any increase in the Settlement Rate of a Currency Pair will have a negative effect on the Final Redemption Amount, subject to the applicable Floor. Any decrease in the Settlement Rate of a Currency Pair will have a positive effect on the Final Redemption Amount.
- (b) Where X_i means Settlement Rate, Y_i means Strike Rate and Z_i means Settlement Rate, any decrease in the Settlement Rate of a Currency Pair will have a negative effect on the Final Redemption Amount, subject to the applicable Floor. Any increase in the Settlement Rate of a Currency Pair will have a positive effect on the Final Redemption Amount.
- (c) Where X_i means Strike Rate, Y_i means Settlement Rate and Z_i means Strike Rate, any increase in the Settlement Rate of a Currency Pair will have a negative effect on the Final Redemption Amount, subject to the applicable Floor. Any decrease in the Settlement Rate of a Currency Pair will have a positive effect on the Final Redemption Amount.
- (d) Where X_i means Settlement Rate, Y_i means Strike Rate and Z_i means Strike Rate, any decrease in the Settlement Rate of a Currency Pair will have a negative effect on the Final Redemption Amount, subject to the applicable Floor. Any increase in the Settlement Rate of a Currency Pair will have a positive effect on the Final Redemption Amount.
- (e) Where X_i means Strike Rate, Y_i means Settlement Rate and Z_i means 1, any increase in the Settlement Rate of a Currency Pair will have a negative effect on the Final Redemption Amount, subject to the applicable Floor. Any decrease in the Settlement Rate of a Currency Pair will have a positive effect on the Final Redemption Amount.
- (f) Where X_i means Settlement Rate, Y_i means Strike Rate and Z_i means 1, any decrease in the Settlement Rate of a Currency Pair will have a negative effect on the Final Redemption Amount, subject to the applicable Floor. Any increase in the Settlement Rate of a Currency Pair will have a positive effect on the Final Redemption Amount.

Where more than one Currency Pair is specified in the applicable Final Terms, as above, the Final Redemption Amount will reflect the weighted sum of the changes in value of all Currency Pairs. As such, whilst the value of the Settlement Rate of a particular Currency Pair may have a positive or negative effect on the Final Redemption Amount, the Final Redemption Amount will ultimately reflect the combined weighted sum of the changes in value for all of the Currency Pairs.

(x) Fixed Denomination FX Redemption N&C Securities

The Reference Items for Fixed Denomination FX Redemption N&C Securities are two currencies. These currencies are each of the Specified Currency and the Settlement Currency (in each case as specified in the applicable Final Terms). The Final Redemption Amount payable on the Maturity Date of the Fixed Denomination FX Redemption N&C Securities is calculated by reference to the relative performance of the Specified Currency and the Settlement Currency, as reflected by the spot rate of exchange between those currencies and applying such spot rate to the Base Final Redemption Amount applicable to each nominal amount or unit of N&C Securities equal to the Calculation Amount. The Final Redemption Amount will be determined by the Calculation Agent at the Valuation Time on the Valuation Date, in accordance with the provisions of N&C Securities Condition 22.2.12 as completed by the information set out at paragraph 33 of Part A of the applicable Final Terms.

For the purpose of calculating the Final Redemption Amount, and subject to the Calculation Agent's further discretion under N&C Securities Condition 22.2.12, the spot rate of exchange will be determined by reference to the relevant FX Price Source(s).

If the Specified Currency decreases in value against the Settlement Currency in respect of Fixed Denomination FX Redemption N&C Security, the Final Redemption Amount payable for that Fixed Denomination FX Redemption N&C Security will be less than would otherwise be the case.

(xi) Equity Basket Knock-In N&C Securities

The Reference Items for Equity Basket Knock-In N&C Securities are the Shares in the relevant Share Basket. The Shares in the Share Basket are specified in the applicable Final Terms. The method of calculation of the Final Redemption Amount for the Securities is, and the amount of such payment may be, linked to the performance of the relevant Shares, in each case in accordance with the provisions of N&C Securities Condition 22.2.2 as completed by the information set out at paragraph 32 of Part A of the applicable Final Terms.

Each Equity Basket Knock-In N&C Security will be redeemed on the Maturity Date by payment of the Final Redemption Amount. The method of calculation of the Final Redemption Amount is determined by reference to the performance of the worst performing Share on the Final Valuation Date.

- (a) If a Knock-In Event (as further described below) has not occurred in respect of the worst performing Share, the Final Redemption Amount will be 100 per cent. of the nominal amount of the relevant Securities.
- (b) If a Knock-In Event has occurred in respect of the worst performing Share, the investor will participate in the downside performance of such worst performing Share, the Final Redemption Amount being calculated by multiplying the nominal amount of the Securities by the performance of the worst performing Share between the relevant Initial Valuation Date and the Final Valuation Date. Where this is the case, an investor will lose part and may lose all of their invested capital.

A Knock-In Event occurs in respect of a Share if the value of the worst performing Share is equal to or less than the Knock-In Level at the Valuation Time on the Final Valuation Date. The Knock-In Level for each Share is calculated as the closing price of such Share on the relevant Initial Valuation Date multiplied by the applicable Knock-In Percentage. The Final Valuation Date, the Initial Valuation Date and the applicable Knock-In Percentage are all as specified in the Final Terms for the relevant Securities.

(xii) Equity Basket Barrier Knock-In N&C Securities

The Reference Items for Equity Basket Barrier Knock-In N&C Securities are the Shares in the relevant Share Basket. The Shares in the Share Basket are specified in the applicable Final Terms. The method of calculation of the Final Redemption Amount for the Securities is, and the amount of such payment may be, linked to the performance of the relevant Shares, in each case in accordance with the provisions of N&C Securities Condition 22.2.3 as completed by the information set out at paragraph 32 of Part A of the applicable Final Terms.

Each Equity Basket Barrier Knock-In N&C Security will be redeemed on the Maturity Date by payment of the Final Redemption Amount. The method of calculation of the Final Redemption Amount is determined by

reference to the performance of the worst performing Share on the Final Valuation Date and the amount payable is dependent on (i) whether a Knock-In Event has occurred and (ii) if a Knock-In Event has occurred, whether the performance of the worst performing Share is above or below a pre-determined level (the Barrier Level specified in the applicable Final Terms).

- (a) If a Knock-In Event (as further described below) has not occurred in respect of the worst performing Share, the Final Redemption Amount payable to an investor will be 100 per cent. of the nominal amount per Security.
- (b) If a Knock-In Event has occurred in respect of the worst performing Share, but the performance of such worst performing Share is equal to or greater than the Barrier Level on the Final Valuation Date, the Final Redemption Amount payable to an investor will be 100 per cent. of the nominal amount per Security.
- (c) If a Knock-In Event has occurred and the performance of the worst performing Share is less than the Barrier Level on the Final Valuation Date, the investor will participate in the downside performance of such worst performing Share, the Final Redemption Amount being calculated by multiplying the nominal amount of the Securities by the performance of the worst performing Share between the relevant Initial Valuation Date and the Final Valuation Date. Where this is the case, the investor will lose part and may lose all of their invested capital.

Subject to the applicable disruption provisions, a Knock-In Event occurs if the price of any Share is, at any time during the regular trading session hours of the applicable Exchange on any Scheduled Trading Day in the Knock-In Determination Period, equal to or less than the Knock-In Level for such Share. The Knock-In Level for each Share is calculated as the closing price of such Share on the relevant Initial Valuation Date multiplied by the applicable Knock-In Percentage. The Final Valuation Date, the Initial Valuation Date and the applicable Knock-In Percentage are all as specified in the Final Terms for the relevant Securities.

(xiii) *Equity Basket Bonus Barrier Knock-In N&C Securities*

The Reference Items for Equity Basket Bonus Barrier Knock-In N&C Securities are the Shares in the relevant Share Basket. The Shares in the Share Basket are specified in the applicable Final Terms. The method of calculation of the Final Redemption Amount for the Securities is, and the amount of such payment may be, linked to the performance of the relevant Shares, in each case in accordance with the provisions of N&C Securities Condition 22.2.4 as completed by the information set out at paragraph 32 of Part A of the applicable Final Terms.

Each Equity Basket Bonus Barrier N&C Security will be redeemed on the Maturity Date by payment of the Final Redemption Amount. The method of calculation of the Final Redemption Amount is determined by reference to the performance of the worst performing Share on the Final Valuation Date and the amount payable is dependent on (i) whether a Knock-In Event has occurred and (ii) if a Knock-In Event has occurred, whether the performance of the worst performing Share is above or below a pre-determined level (the Barrier Level specified in the applicable Final Terms).

- (a) If a Knock-In Event (as further described below) has not occurred in respect of the worst performing Share, the Final Redemption Amount payable to an investor will be 100 per cent. of the nominal amount per Security plus a bonus amount calculated by reference to the Participation Rate specified in the applicable Final Terms.
- (b) If a Knock-In Event has occurred in respect of the worst performing Share, but the performance of such worst performing Share is equal to or greater than the Barrier Level on the Final Valuation Date, the Final Redemption Amount payable to an investor will be 100 per cent. of the nominal amount per Security.
- (c) If a Knock-In Event has occurred and the performance of the worst performing Share is less than the Barrier Level on the Final Valuation Date, the investor will participate in the downside performance of such worst performing Share, the Final Redemption Amount being calculated by multiplying the nominal amount of the Securities by the performance of the worst performing Share between the relevant Initial Valuation Date and the Final Valuation Date. Where this is the case, the investor will lose part and may lose all of their invested capital.

A Knock-In Event occurs in respect of a Share if the value of the worst performing Share is less than the Knock-In Level at the Valuation Time on the Final Valuation Date. The Final Valuation Date, the Initial Valuation Date and the applicable Knock-In Level are all as specified in the Final Terms for the relevant Securities.

(xiv) Index Basket Knock-In N&C Securities

The Reference Items for Index Basket Knock-In N&C Securities are the Indices in the relevant Index Basket. The Indices in the Index Basket are specified in the applicable Final Terms. The method of calculation of the Final Redemption Amount for the Securities is, and the amount of such payment may be, linked to the performance of the relevant Indices, in each case in accordance with the provisions of N&C Securities Condition 22.2.5 as completed by the information set out at paragraph 31 of Part A of the applicable Final Terms.

Each Index Basket Knock-In N&C Security will be redeemed on the Maturity Date by payment of the Final Redemption Amount. The method of calculation of the Final Redemption Amount is determined by reference to the performance of the worst performing Index on the Final Valuation Date.

- (a) If a Knock-In Event (as further described below) has not occurred in respect of the worst performing Index, the Final Redemption Amount will be 100 per cent. of the nominal amount of the relevant Securities.
- (b) If a Knock-In Event has occurred in respect of the worst performing Index, the investor will participate in the downside performance of such worst performing Index, the Final Redemption Amount being calculated by multiplying the nominal amount of the Securities by the performance of the worst performing Index between the relevant Initial Valuation Date and the Final Valuation Date. Where this is the case, an investor will lose part and may lose all of their invested capital.

A Knock-In Event occurs in respect of an Index if the value of the worst performing Index is equal to or less than the Knock-In Level at the Valuation Time on the Final Valuation Date. The Knock-In Level for each Index is calculated as the closing level of such Index on the relevant Initial Valuation Date multiplied by the applicable Knock-In Percentage. The Final Valuation Date, the Initial Valuation Date and the applicable Knock-In Percentage are all as specified in the Final Terms for the relevant Securities.

(xv) Index Basket Barrier Knock-In N&C Securities

The Reference Items for Index Basket Barrier Knock-In N&C Securities are the Indices in the relevant Index Basket. The Indices in the Index Basket are specified in the applicable Final Terms. The method of calculation of the Final Redemption Amount for the Securities is, and the amount of such payment may be, linked to the performance of the relevant Indices, in each case in accordance with the provisions of N&C Securities Condition 22.2.6 as completed by the information set out at paragraph 31 of Part A of the applicable Final Terms.

Each Index Basket Barrier Knock-In N&C Security will be redeemed on the Maturity Date by payment of the Final Redemption Amount. The method of calculation of the Final Redemption Amount is determined by reference to the performance of the worst performing Index on the Final Valuation Date and the amount payable is dependent on (i) whether a Knock-In Event has occurred and (ii) if a Knock-In Event has occurred, whether the performance of the worst performing Index is above or below a pre-determined level (the Barrier Level specified in the applicable Final Terms).

- (a) If a Knock-In Event (as further described below) has not occurred in respect of the worst performing Index, the Final Redemption Amount payable to an investor will be 100 per cent. of the nominal amount per Security.
- (b) If a Knock-In Event has occurred in respect of the worst performing Index, but the performance of such worst performing Index is equal to or greater than the Barrier Level on the Final Valuation Date, the Final Redemption Amount payable to an investor will be 100 per cent. of the nominal amount per Security.
- (c) If a Knock-In Event has occurred and the performance of the worst performing Index is less than the Barrier Level on the Final Valuation Date, the investor will participate in the downside performance

of such worst performing Index, the Final Redemption Amount being calculated by multiplying the nominal amount of the Securities by the performance of the worst performing Index between the relevant Initial Valuation Date and the Final Valuation Date. Where this is the case, the investor will lose part and may lose all of their invested capital.

A Knock-In Event occurs in respect of an Index if the value of the worst performing Index is equal to or less than the Knock-In Level at the Valuation Time on the Final Valuation Date. The Knock-In Level for each Index is calculated as the closing level of such Index on the relevant Initial Valuation Date multiplied by the applicable Knock-In Percentage. The Final Valuation Date, the Initial Valuation Date and the applicable Knock-In Percentage are all as specified in the Final Terms for the relevant Securities.

(xvi) Index Basket Bonus Barrier Knock-In N&C Securities

The Reference Items for Index Basket Bonus Barrier Knock-In N&C Securities are the Indices in the relevant Index Basket. The Indices in the Index Basket are specified in the applicable Final Terms. The method of calculation of the Final Redemption Amount for the Securities is, and the amount of such payment may be, linked to the performance of the relevant Indices, in each case in accordance with the provisions of N&C Securities Condition 22.2.7 as completed by the information set out at paragraph 31 of Part A of the applicable Final Terms.

Each Index Basket Bonus Barrier N&C Security will be redeemed on the Maturity Date by payment of the Final Redemption Amount. The method of calculation of the Final Redemption Amount is determined by reference to the performance of the worst performing Index on the Final Valuation Date and the amount payable is dependent on (i) whether a Knock-In Event has occurred and (ii) if a Knock-In Event has occurred, whether the performance of the worst performing Index is above or below a pre-determined level (the Barrier Level specified in the applicable Final Terms).

- (a) If a Knock-In Event (as further described below) has not occurred in respect of the worst performing Index, the Final Redemption Amount payable to an investor will be 100 per cent. of the nominal amount per Security plus a bonus amount calculated by reference to the Participation Rate specified in the applicable Final Terms.
- (b) If a Knock-In Event has occurred in respect of the worst performing Index, but the performance of such worst performing Index is equal to or greater than the Barrier Level on the Final Valuation Date, the Final Redemption Amount payable to an investor will be 100 per cent. of the nominal amount per Security.
- (c) If a Knock-In Event has occurred and the performance of the worst performing Index is less than the Barrier Level on the Final Valuation Date, the investor will participate in the downside performance of such worst performing Index, the Final Redemption Amount being calculated by multiplying the nominal amount of the Securities by the performance of the worst performing Index between the relevant Initial Valuation Date and the Final Valuation Date. Where this is the case, the investor will lose part and may lose all of their invested capital.

A Knock-In Event occurs in respect of an Index if the value of the worst performing Index is less than the Knock-In Level at the Valuation Time on the Final Valuation Date. The Final Valuation Date, the Initial Valuation Date and the applicable Knock-In Level are all as specified in the Final Terms for the relevant Securities.

(xvii) Equity Basket Autocall N&C Securities

The Reference Items for Equity Basket Autocall N&C Securities are the Shares in the relevant Share Basket. The Shares in the Share Basket are specified in the applicable Final Terms. Unless the Securities have been previously redeemed or cancelled, the Securities will be automatically redeemed prior to the maturity at an early redemption amount if an Autocall Event occurs in accordance with the provisions of N&C Securities Condition 22.2.8 as such Condition is completed by the information set out at paragraph 32 of Part A of the applicable Final Terms. The determination of the Autocall Event is linked to the performance of the relevant Shares. An Autocall Event occurs if the performance of the worst performing Share is equal to or greater than a pre-determined level (the Autocall Level specified in the applicable Final Terms) on any of the specified

Observation Dates. Where an Autocall Event has occurred the early redemption amount payable in respect of the Securities is equal to:

- (a) where the Securities are specified to be Fixed Autocall N&C Securities in the applicable Final Terms, 100 per cent. of the nominal amount per Security; or
- (b) where the Securities are specified to be Uplift Autocall N&C Securities, 100 per cent. of the nominal amount per Security plus an additional percentage equal to the specified Autocall Rate.

The early termination amount payable is not calculated by reference to the performance of the relevant Shares. Where no Autocall Event occurs, and subject to any other prior termination in accordance with the terms and conditions of the relevant Securities, the Securities will redeem at the Final Redemption Amount on the relevant Maturity Date.

(xviii) Index Basket Autocall N&C Securities

The Reference Items for Index Basket Autocall N&C Securities are the Indices in the relevant Index Basket. The Indices in the Index Basket are specified in the applicable Final Terms. Unless the Securities have been previously redeemed or cancelled, the Securities will be automatically redeemed prior to the maturity at an early redemption amount if an Autocall Event occurs in accordance with the provisions of N&C Securities Condition 22.2.9 as such Condition is completed by the information set out paragraph 31 of Part A of the applicable Final Terms. The determination of the Autocall Event is linked to the performance of the relevant Indices. An Autocall Event occurs if the performance of the worst performing Index is equal to or greater than a pre-determined level (the Autocall Level specified in the applicable Final Terms) on any of the specified Observation Dates. Where an Autocall Event has occurred the early redemption amount payable in respect of the Securities is equal to:

- (a) where the Securities are specified to be Fixed Autocall N&C Securities in the applicable Final Terms, 100 per cent. of the nominal amount per Security; or
- (b) where the Securities are specified to be Uplift Autocall N&C Securities, 100 per cent. of the nominal amount per Security plus an additional percentage equal to the specified Autocall Rate.

The early termination amount payable is not calculated by reference to the performance of the relevant Indices. Where no Autocall Event occurs, and subject to any other prior termination in accordance with the terms and conditions of the relevant Securities, the Securities will redeem at the Final Redemption Amount on the relevant Maturity Date.

(xix) Zero Recovery Single Name Credit Linked N&C Securities

The Reference Item for Zero Recovery Single Name Credit Linked N&C Securities is the credit of the Reference Entity specified in the applicable Final Terms. Whether or not the Final Redemption Amount is payable in respect of Zero Recovery Single Name Credit Linked N&C Securities will depend on whether or not a Credit Event Determination Date has occurred in respect of the Reference Entity as determined by the Calculation Agent in accordance with the terms specified in N&C Securities Condition 22.2.15 as completed by the information set out at paragraph 34 of Part A of the applicable Final Terms.

If a Credit Event Determination Date occurs in respect of the Reference Entity, the Issuer's obligations in respect of the N&C Securities will be discharged on the Credit Event Redemption Date, no redemption or other amounts shall be payable in respect of such discharge and the Issuer will have no further liability or obligation in respect of the N&C Securities. **In such circumstances an investor will lose the full value of its investment.**

If a Credit Event Determination Date has not occurred in respect of the Reference Entity, on or prior to the Maturity Date the Final Redemption Amount of the N&C Securities will be the relevant Calculation Amount.

(xx) Zero Recovery Basket Credit Linked N&C Securities

The Reference Items for the Zero Recovery Basket Credit Linked N&C Securities are the credit of the Reference Entities in the applicable basket, which may or may not be determined by reference to one or more Indices, each as specified in the applicable Final Terms. The Final Redemption Amount payable following the redemption of the Zero Recovery Basket Credit Linked N&C Securities is the nominal amount of N&C

Securities equal to the Outstanding Nominal Amount on the Maturity Date. The Outstanding Nominal Amount is calculated by the Calculation Agent in accordance with the terms specified in N&C Securities Condition 22.2.10 as completed by the information set out at paragraph 34 or 38, as applicable, of Part A of the applicable Final Terms.

If (i) the Conditions to Settlement are satisfied with respect to a Reference Entity (in the case of Securities to which Annex 7 applies) or (ii) a Credit Event Determination Date occurs with respect to a Reference Entity (in the case of Securities to which Annex 15 applies), the Outstanding Nominal Amount will be reduced, in accordance with Credit Linked Condition 2, proportionally to the weighting of the Reference Entity in the basket. Investors will receive no payment in respect of such reduction and accordingly the amount paid to investors on redemption of the N&C Securities may be less than their original investment and may be zero.

The basket of Reference Entities and their respective weightings or (as applicable) each relevant Index and its weighting will be set out in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms.

Investors should note further that the Outstanding Nominal Amount of the Securities is also used for the purpose of calculation of interest. As such, following any reduction in the Outstanding Nominal Amount, any interest payments due in respect of the Securities will also be reduced, with effect either from (a) if "With Accrued" is specified in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms, the date on which the Conditions to Settlement are satisfied (in the case of Securities to which Annex 7 applies) or the Credit Event Determination Date (in the case of Securities to which Annex 15 applies), or (b) if "No Accrued" is specified in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms, the first day of the Coupon Period during which the Conditions to Settlement are satisfied (in the case of Securities to which Annex 7 applies) or the Credit Event Determination Date occurred (in the case of Securities to which Annex 15 applies).

If the Conditions to Settlement have not been satisfied (in the case of Securities to which Annex 7 applies) or a Credit Event Determination Date has not occurred (in the case of Securities to which Annex 15 applies), in either case, for any Reference Entity on or prior to the Maturity Date, the Final Redemption Amount of the N&C Securities will be the relevant Calculation Amount.

In the event the Outstanding Nominal Amount is reduced to zero, the Final Redemption Amount will be zero, interest will cease to be payable in respect of the Securities and the Issuer's obligations in respect of the N&C Securities will be discharged and the Issuer will have no further liability in respect thereof.

(xxi) Auction to Cash Settled Credit Linked N&C Securities

The Reference Item for Auction to Cash Settled Credit Linked N&C Securities is the credit of the Reference Entity as specified in the applicable Final Terms. If a Credit Event Determination Date has not occurred in respect of the Reference Entity on or prior to the Maturity Date, the Final Redemption Amount of the N&C Securities will be the relevant Calculation Amount.

If a Credit Event does occur in respect of the Reference Entity and the Calculation Agent determines that a Credit Event Determination Date has occurred and either Auction Settlement or (as a fallback) Cash Settlement applies, the Issuer will redeem the N&C Securities at the Credit Event Redemption Amount in respect of the N&C Securities on the Credit Event Redemption Date. Where the Credit Event Determination Date is specified to occur on or after the Scheduled Maturity Date or where European Settlement is specified as applicable in respect of the Credit Event Redemption Date in the relevant Final Terms, then maturity of the Credit Linked Securities may be delayed until the scheduled maturity of the Credit Linked Securities, notwithstanding that this may occur a significant time following the occurrence of the Credit Event and no further interest will be payable in this period.

The Credit Event Redemption Amount may be less than the Calculation Amount of a Credit Linked N&C Security and may be zero. Investors should note that any shortfall shall be borne by the Holders and no liability shall attach to the Issuer or the Guarantor (if applicable).

(xxii) Tranched Zero Recovery Credit Linked N&C Securities

The Reference Items for the Tranched Zero Recovery Credit Linked N&C Securities are the credit of the Reference Entities comprising the Index specified in the applicable Final Terms. The Final Redemption

Amount payable following the redemption of the Tranching Zero Recovery Credit Linked N&C Securities is the nominal amount of N&C Securities equal to the Outstanding Nominal Amount on the Maturity Date. The Outstanding Nominal Amount is calculated by the Calculation Agent in accordance with the terms specified in N&C Securities Condition 22.2.16 as completed by the information set out at paragraph 34 or 38, as applicable, of Part A of the applicable Final Terms.

If a Credit Event Determination Date occurs with respect to a Reference Entity, the Outstanding Nominal Amount will be reduced, in accordance with Credit Linked Condition 2, so that it is equal to the Calculation Amount minus the Aggregate Reduction Amount (being the Calculation Amount multiplied by the amount, if any, by which the aggregate of all the Loss Percentages exceeds the Tranche Attachment Level). The amount of any such reduction may be equal to the proportion of the investment in the N&C Securities attributable to such Reference Entity (as represented by the relevant Reference Entity weighting) and investors will receive no payment in respect of such reduction. Accordingly the amount paid to investors on redemption of the N&C Securities may be less than their original investment and may be zero.

The Index which is comprised of the Reference Entities, the Tranche Attachment Level, the Tranche Detachment Level and the Tranche Width will be set out in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms.

Investors should note further that the Outstanding Nominal Amount of the N&C Securities is also used for the purpose of calculation of interest. As such, following any reduction in the Outstanding Nominal Amount, any interest payments due in respect of the N&C Securities will also be reduced, with effect either from the Credit Event Determination Date (if "With Accrued" is specified in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms), or from the first day of the Coupon Period during which the Credit Event Determination Date occurred (if "No Accrued" is specified in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms).

In the event the Outstanding Nominal Amount is reduced to zero, the Final Redemption Amount will be zero, interest will cease to be payable in respect of the Securities and the Issuer's obligations in respect of the N&C Securities will be discharged and the Issuer will have no further liability in respect thereof.

(xxiii) Tranching Recovery Index Credit Linked N&C Securities

The Reference Items for the Tranching Recovery Index Credit Linked N&C Securities are the credit of the Reference Entities comprising the Index specified in the applicable Final Terms. The Final Redemption Amount payable following the redemption of the Tranching Recovery Index Credit Linked N&C Securities is the nominal amount of N&C Securities equal to the Outstanding Nominal Amount on the Maturity Date plus, where Incurred Recovery is specified to be applicable in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms, the Aggregate Incurred Recovery Amount. The Outstanding Nominal Amount is calculated by the Calculation Agent in accordance with the terms specified in N&C Securities Condition 22.2.17 as completed by the information set out at paragraph 34 or 38, as applicable, of Part A of the applicable Final Terms.

If a Credit Event Determination Date occurs with respect to a Reference Entity, the Outstanding Nominal Amount will be reduced, in accordance with Credit Linked Condition 2, so that it is equal to the Calculation Amount minus (i) the Aggregate Reduction Amount (being the Calculation Amount multiplied by the amount, if any, by which the aggregate of all the Loss Percentages exceeds the Tranche Attachment Level) and (ii) if Incurred Recovery is specified to be applicable, the Aggregate Incurred Recovery Amount (being the Calculation Amount multiplied by the amount, if any by which the aggregate of all Recovery Percentages exceeds 100 per cent. minus the Tranche Detachment Level). Once the Tranche Attachment Level is exceeded, the amount of the relevant reduction to the Outstanding Nominal Amount will be equal to the relevant Loss Percentage of the investment in the N&C Securities attributable to such Reference Entity (as represented by the relevant Reference Entity weighting) and investors will receive no payment in respect of such reduction. If Incurred Recovery is specified to be applicable, an amount equal to the Aggregate Incurred Recovery Amount will be included in the calculation of the Final Redemption Amount payable in respect of the N&C Securities at maturity, which may occur a significant time following the occurrence of the last Credit Event, may be less than the proportion of the investment in the N&C Securities attributable to the relevant Reference

Entities and may in certain circumstances be zero. Accordingly the amount paid to investors on redemption of the N&C Securities may be less than their original investment and may be zero.

The Index which is comprised of the Reference Entities, the Tranche Attachment Level, the Tranche Detachment Level and the Tranche Width will be set out in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms.

Investors should note further that the Outstanding Nominal Amount of the N&C Securities is also used for the purpose of calculation of interest. As such, following any reduction in the Outstanding Nominal Amount, any interest payments due in respect of the N&C Securities will also be reduced, with effect either from the Credit Event Determination Date (if "With Accrued" is specified in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms), or from the first day of the Coupon Period during which the Credit Event Determination Date occurred (if "No Accrued" is specified in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms).

In the event the Outstanding Nominal Amount is reduced to zero, interest will cease to be payable in respect of the Securities, the Final Redemption Amount will be zero or, if Incurred Recovery is specified to be applicable, limited to the Aggregate Incurred Recovery Amount (if any) and otherwise the Issuer's obligations in respect of the N&C Securities will be discharged and the Issuer will have no further liability in respect thereof.

(xxiv) Tranching Recovery Index Coupon Credit Linked N&C Securities

The Reference Items for the Tranching Recovery Index Coupon Credit Linked N&C Securities are the credit of the Reference Entities comprising the Index specified in the applicable Final Terms. The interest payable in respect of the Tranching Recovery Index Coupon Credit Linked N&C Securities is calculated on the Interest Calculation Amount as of the last day of the relevant period for which the interest is being calculated. The Interest Calculation Amount is calculated by the Calculation Agent in accordance with the terms specified in N&C Securities Condition 22.1.10 as completed by the information set out at paragraph 34 or 38, as applicable, of Part A of the applicable Final Terms.

If a Credit Event Determination Date occurs with respect to a Reference Entity, the Interest Calculation Amount will be reduced, in accordance with Credit Linked Condition 2, so that it is equal to the Calculation Amount minus the Aggregate Reduction Amount if the aggregate of all the Loss Percentages is greater than the Tranche Attachment Level. Once the Tranche Attachment Level is exceeded, the amount of the relevant reduction to the Interest Calculation Amount will be equal to the relevant Loss Percentage of the investment in the N&C Securities attributable to such Reference Entity (as represented by the relevant Reference Entity weighting) and investors will receive no payment in respect of such reduction. The Index which is comprised of the Reference Entities, the Tranche Attachment Level, the Tranche Detachment Level and the Tranche Width will be set out in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms.

In the event the Interest Calculation Amount is reduced to zero, notwithstanding that the Securities may remain outstanding until the Maturity Date, no further interest payments will be payable in respect of the Securities, the Issuer's obligations in respect thereof will be discharged and the Issuer will have no further liability in respect thereof.

(xxv) Tranching Zero Recovery Index Coupon Credit Linked N&C Securities

The Reference Items for the Tranching Zero Recovery Index Coupon Credit Linked N&C Securities are the credit of the Reference Entities comprising the Index specified in the applicable Final Terms. The interest payable in respect of the Tranching Zero Recovery Index Coupon Credit Linked N&C Securities is calculated on the Interest Calculation Amount as of the last day of the relevant period for which the interest is being calculated. The Interest Calculation Amount is calculated by the Calculation Agent in accordance with the terms specified in N&C Securities Condition 22.1.9 as completed by the information set out at paragraph 34 or 38, as applicable, of Part A, of the applicable Final Terms.

If a Credit Event Determination Date occurs with respect to a Reference Entity, the Interest Calculation Amount will be reduced, in accordance with Credit Linked Condition 2, so that it is equal to the Calculation Amount minus the Aggregate Reduction Amount if the aggregate of all the Loss Percentages is greater than the Tranche Attachment Level. The amount of any such reduction may be equal to the proportion of the

investment in the N&C Securities attributable to such Reference Entity (as represented by the relevant Reference Entity weighting) and investors will receive no payment in respect of such reduction. The Index which is comprised of the Reference Entities, the Tranche Attachment Level, the Tranche Detachment Level and the Tranche Width will be set out in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms.

In the event the Interest Calculation Amount is reduced to zero, notwithstanding that the Securities may remain outstanding until the Maturity Date, no further interest payments will be payable in respect of the Securities, the Issuer's obligations in respect thereof will be discharged and the Issuer will have no further liability in respect thereof.

(xxvi) *Market Recovery Basket Credit Linked N&C Securities*

The Reference Items for the Market Recovery Basket Credit Linked N&C Securities are the credit of the Reference Entities in the applicable basket, which may or may not be determined by reference to one or more Indices, each as specified in the applicable Final Terms. The Final Redemption Amount payable following the redemption of the Market Recovery Basket Credit Linked N&C Securities is equal to the Outstanding Nominal Amount on the Maturity Date plus, where European Recovery Amount Settlement is specified to be applicable at paragraph 34 or 38, as applicable, of Part A of the applicable Final Terms, the Aggregate Recovery Amount. The Outstanding Nominal Amount is calculated by the Calculation Agent in accordance with the terms specified in N&C Securities Condition 22.2.18 as completed by the information set out at paragraph 34 or 38, as applicable, of Part A of the applicable Final Terms.

If a Credit Event Determination Date occurs with respect to a Reference Entity, the Outstanding Nominal Amount will be reduced, in accordance with Credit Linked Condition 2, by the relevant Reference Entity Notional Amount (the proportion of the investment in the N&C Securities attributable to such Reference Entity, as represented by the relevant Reference Entity weighting). Where American Recovery Amount Settlement is specified to be applicable at paragraph 34 or 38, as applicable, of Part A of the applicable Final Terms, a Recovery Amount (which may be less than the Reference Entity Notional Amount and may be zero) will be payable on the relevant Interim Recovery Amount Payment Date following the Credit Event. Where European Recovery Settlement Amount is specified to be applicable, an amount equal to the Recovery Amount (which may be less than the Reference Entity Notional Amount and may be equal to be zero) will instead be included in the calculation of the Final Redemption Amount payable in respect of the N&C Securities at maturity (which may occur a significant time following the occurrence of the Credit Event). Accordingly the amount paid to investors in respect of principal on the N&C Securities may be less than their original investment and may be zero.

The basket of Reference Entities and their respective weightings or (as applicable) each relevant Index and its weighting will be set out in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms.

Investors should note further that the Outstanding Nominal Amount of the N&C Securities is also used for the purpose of calculation of interest. As such, following any reduction in the Outstanding Nominal Amount, any interest payments due in respect of the N&C Securities will also be reduced, with effect either from the Credit Event Determination Date (if "With Accrued" is specified in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms), or from the first day of the Coupon Period during which the Credit Event Determination Date occurred (if "No Accrued" is specified in paragraph 34 or 38, as applicable, of Part A of the relevant Final Terms).

In the event the Outstanding Nominal Amount is reduced to zero, interest will cease to be payable in respect of the Securities, the Final Redemption Amount will be zero or, if European Recovery Amount Settlement is specified to be applicable, limited to the Aggregate Recovery Amount (if any) and otherwise (and subject to any Recovery Amounts if American Recovery Amount Settlement is specified to be applicable) the Issuer's obligations in respect of the N&C Securities will be discharged and the Issuer will have no further liability in respect thereof.

(xxvii) *Equity Delta One Redemption N&C Securities*

The Reference Item for Equity Delta One Redemption N&C Securities is the Share specified in the applicable Final Terms. The Final Redemption Amount for the Securities is linked to the performance of the relevant

Share. The amount of any coupon payments payable under the Securities will be determined by reference to any dividends paid in respect of that Share. All such determinations will be made in accordance with the provisions of N&C Securities Condition 22.2.11 as completed by the information set out at paragraph 32 of Part A of the applicable Final Terms. The intention of the Securities is to generate a return in the Specified Currency similar to a holding of the relevant Share converted into the Specified Currency where relevant.

In accordance with Condition 22.2.11, the Final Redemption Amount in respect of each nominal amount of N&C Securities equal to the Calculation Amount will be equal to the Final Price multiplied by the applicable exchange rate less any Costs as determined by the Calculation Agent in accordance with the provisions of Condition 22.2.11. As such, subject to the terms of Condition 22.2.11 (including, *inter alia*, the deduction of the applicable Costs and the effect of any dividends paid (see further below)), where the value of the underlying Share increases, the value of the Final Redemption Amount should increase and where the value of the underlying Share decreases, the value of the Final Redemption Amount should decrease. Where a cash dividend is declared in respect of the underlying Share by the relevant share issuer such that any holder of such Share would be entitled to receive that cash dividend during the term of the N&C Securities (as further detailed in Condition 22.2.11), a coupon amount will be paid in respect of the Securities equal to the amount of such cash dividend declared in relation to one Share converted into the Specified Currency where relevant less those applicable withholding taxes (if any) and other expenses or deductions as further described in paragraph (b) of Condition 22.2.11.

(xxviii) Reverse Convertible Swap Rate Redemption N&C Securities

The Reference Item for Reverse Convertible Swap Rate Redemption N&C Securities is the Reference Swap Rate (as determined by reference to the specified Floating Rate Option, Designated Maturity and Reset Date) specified in the applicable Final Terms. The Final Redemption Amount payable on the Maturity Date of the Reverse Convertible Swap Rate Redemption N&C Securities will vary depending on whether the level of the Reference Swap Rate on the specified Valuation Date is above or below the specified Barrier, all in accordance with the provisions of N&C Securities Condition 22.2.13 as completed by the information set out at paragraph 40 of Part A of the applicable Final Terms. If the rate determined in respect of the Reference Swap Rate on the Valuation Date is less than the relevant Barrier, the Final Redemption Amount will be determined by multiplying (i) the Aggregate Nominal Amount of the N&C Securities by (ii) the percentage change in value of the Reference Swap Rate between the Trade Date and the Valuation Date (provided that the Final Redemption Amount will never be less than zero). If the rate determined in respect of the Reference Swap Rate on the Valuation Date is equal to or above the relevant Barrier, the Final Redemption Amount will be determined by multiplying (i) the Aggregate Nominal Amount of the N&C Securities by (ii) the specified Redemption Factor. As such, the Final Redemption Amount of the N&C Securities will only reflect the performance of the Reference Swap Rate if the level of the Reference Swap Rate on the specified Valuation Date is below the specified Barrier.

(xxix) Geared Put Swap Rate Redemption N&C Securities

The Reference Item for Geared Put Swap Rate Redemption N&C Securities is the Reference Swap Rate (as determined by reference to the specified Floating Rate Option, Designated Maturity and Reset Date) specified in the applicable Final Terms. The Final Redemption Amount payable on the Maturity Date of the Geared Put Swap Rate Redemption N&C Securities will vary depending on whether the level of the Reference Swap Rate on the specified Valuation Date is above or below the Barrier, all in accordance with the provisions of N&C Securities Condition 22.2.14 as completed by the information set out at paragraph 41 of Part A of the applicable Final Terms. If the rate determined in respect of the Reference Swap Rate on the Valuation Date is less than the relevant Barrier, the Final Redemption Amount will be determined by multiplying (i) the Aggregate Nominal Amount of the N&C Securities by (ii) the performance of the Reference Swap Rate as adjusted to reflect the relevant Gearing Factor (subject to a minimum Final Redemption Amount of zero). The adjusted performance of Reference Swap Rate will be determined by reference to the initial and final values for the Reference Swap Rate (Swap Rate_{INITIAL} and Swap Rate_{FINAL} respectively) and the relevant Gearing Factor as further described in N&C Securities Condition 22.2.14. Swap Rate_{FINAL} will be as determined on the relevant Valuation Date. If the rate determined in respect of the Reference Swap Rate on the Valuation Date is equal to or above the relevant Barrier, the Final Redemption Amount will be determined by multiplying (i) the Aggregate Nominal Amount of the N&C Securities by (ii) the specified Redemption Factor. As such, the Final

Redemption Amount of the N&C Securities will only reflect the performance of the Reference Swap Rate if the level of the Reference Swap Rate on the specified Valuation Date is below the Barrier. The Barrier is a rate calculated by multiplying (i) the initial value of the Reference Swap Rate (Swap Rate_{INITIAL}) by (ii) the specified Barrier Factor.

(xxx) FX Basket Knock-Out W&C Securities

The Reference Items for FX Basket Knock-Out W&C Securities are the currencies that constitute the Currency Pairs in the basket and, where applicable, any Alternate Currency Pair(s) (in each case, as specified in the applicable Final Terms). The Cash Settlement Amount payable following due exercise of each FX Basket Knock-Out W&C Security is determined by reference to the relative performance of the currencies in each Currency Pair in the basket of Currency Pairs. Such relative performance is determined by reference to the spot rate of exchange between those currencies (reflected in the Settlement Rate for the relevant Currency Pair). Both the relative performance of the relevant currencies and the Cash Settlement Amount are determined in accordance with the formula specified in W&C Securities Condition 18.1 as completed by the information set out at paragraph 26 of Part A of the relevant Final Terms.

For the purpose of:

- (i) determining whether the Continuous Knock-Out Condition has been met at any relevant time; and
- (ii) where such Continuous Knock-Out Condition has been met, calculating the Cash Settlement Amount, the Settlement Rate (at any time), in each in respect of a Currency Pair will (subject to the Calculation Agent's further discretion under W&C Securities Condition 18.1) be either (i) determined by reference to the fixing rate for such Currency Pair as published on the relevant FX Price Source for such Currency Pair at any relevant time or (ii) where one or more Alternate Currency Pairs are specified in the applicable Final Terms, implied from the fixing rate for each such Alternate Currency Pair.

If the Continuous Knock-Out Condition (see further below) has been met, the Cash Settlement Amount will be zero. If the Continuous Knock-Out Condition has not been met, the Cash Settlement Amount will be calculated by reference to the Exercise Price and the Settlement Rate for each Currency Pair in accordance with the formula specified in W&C Securities Condition 18.1. Where more than one Currency Pair is specified, the formula will produce a leveraged weighted sum of the relevant calculations across all Currency Pairs. Where the leverage is specified to be 100 per cent. the application of the leverage to the weighted average will have no effect on the Cash Settlement Amount. The weighting and the Exercise Price for each Currency Pair and the Leverage are all as specified in the applicable Final Terms.

If the Continuous Knock-Out Condition has not been met at any point during the relevant observation period:

- (a) where (i) X_i means Exercise Price, Y_i means Settlement Rate and Z_i means Settlement Rate, (ii) X_i means Exercise Price, Y_i means Settlement Rate and Z_i means Exercise Price, and (iii) X_i means Exercise Price, Y_i means Settlement Rate and Z_i means 1, any increase in the Settlement Rate of a Currency Pair will have a negative effect on the Cash Settlement Amount. Any decrease in the Settlement Rate of a Currency Pair will have a positive effect on the Cash Settlement Amount.
- (b) where (i) if X_i means Settlement Rate, Y_i means Exercise Price and Z_i means Settlement Rate, (ii) X_i means Settlement Rate, Y_i means Exercise Price and Z_i means Exercise Price, and (iii) X_i means Settlement Rate, Y_i means Exercise Price and Z_i means 1, any decrease in the Settlement Rate of a Currency Pair will have a negative effect on the Cash Settlement Amount, subject to a minimum Cash Settlement Amount of zero. Any increase in the Settlement Rate of a Currency Pair will have a positive effect on the Cash Settlement Amount.

Where more than one Currency Pair is specified in the applicable Final Terms, as above, the Cash Settlement Amount will reflect the weighted average of all Currency Pairs. As such, whilst the value of the Settlement Rate of a particular Currency Pair may have either a positive or negative effect on the Cash Settlement Amount, the Cash Settlement Amount will ultimately reflect the combined weighted figures for all Currency Pairs. Prospective investors should note that any payments made under the FX Basket Knock-In W&C Securities will be subject to the deduction of any applicable Exercise Expenses.

The observation period for the Continuous Knock-Out Condition commences at 7:00 am London time on the specified Barrier Start Date and ends at 4:00 pm London time on the specified Observation Cut-Off Date. The Continuous Knock-Out Condition is met in respect of the Securities if, during this observation period, at any time on any Observation Date during any Weekly Observation Interval the Settlement Rate of any specified Currency Pair is equal to or less than the Knock-Out Level specified in respect of such Currency Pair. The Barrier Start Date, Observation Cut-off Date, Observation Dates and the applicable Knock-Out Level for each Currency Pair are each as specified in the applicable Final Terms.

(xxxi) FX Basket Knock-In W&C Securities

The Reference Items for FX Basket Knock-In W&C Securities are the currencies that constitute the Currency Pairs in the basket and, where applicable, any Alternate Currency Pair(s) (in each case, as specified in the applicable Final Terms). The Cash Settlement Amount payable following due exercise of each FX Basket Knock-In W&C Security is determined by reference to the relative performance of the currencies in each Currency Pair in the basket of Currency Pairs. Such relative performance is determined by reference to the spot rate of exchange between those currencies (as reflected in the Settlement Rate for the relevant Currency Pair). Both the relative performance of the relevant currencies and the Cash Settlement Amount are determined in accordance with the formula specified in W&C Securities Condition 18.2 as completed by the information set out at paragraph 26 of Part A of the relevant Final Terms.

For the purpose of: (i) determining whether the Continuous Knock-In Condition has been met at any relevant time; and (ii) where such Continuous Knock-In Condition has been met, calculating the Cash Settlement Amount, the Settlement Rate (at any time) in respect of a Currency Pair will (subject to the Calculation Agent's further discretion under W&C Securities Condition 18.2) be either (i) determined by reference to the fixing rate for such Currency Pair as published on the relevant FX Price Source for such Currency Pair at any relevant time or (ii) where one or more Alternate Currency Pairs are specified in the applicable Final Terms, implied from the fixing rate for each such Alternate Currency Pair.

If the Continuous Knock-In Condition has not been met, the Cash Settlement Amount will be zero. If the Continuous Knock-In Condition has been met, the Cash Settlement Amount will be calculated by reference to the Exercise Price and the Settlement Rate for each Currency Pair in accordance with the formula specified in W&C Securities Condition 18.2. Where more than one Currency Pair is specified, the formula will produce as leveraged weighted average across all Currency Pairs. Where the leverage is specified to be 100 per cent. the application of the leverage to the weighted average will have no effect on the Cash Settlement Amount. The weighting and the Exercise Price for each Currency Pair and the Leverage are all as specified in the applicable Final Terms.

If the Continuous Knock-In Condition has been met:

- (a) where (i) X_i means Exercise Price, Y_i means Settlement Rate and Z_i means Settlement Rate, (ii) X_i means Exercise Price, Y_i means Settlement Rate and Z_i means Exercise Price, and (iii) X_i means Exercise Price, Y_i means Settlement Rate and Z_i means 1, any increase in the Settlement Rate of a Currency Pair will have a negative effect on the Cash Settlement Amount. Any decrease in the Settlement Rate of a Currency Pair will have a positive effect on the Cash Settlement Amount.
- (b) where (i) X_i means Settlement Rate, Y_i means Exercise Price and Z_i means Settlement Rate, (ii) X_i means Settlement Rate, Y_i means Exercise Price and Z_i means Exercise Price, and (iii) X_i means Settlement Rate, Y_i means Exercise Price and Z_i means 1, any decrease in the Settlement Rate of a Currency Pair will have a negative effect on the Cash Settlement Amount, subject to a minimum Cash Settlement Amount of zero. Any increase in the Settlement Rate of a Currency Pair will have a positive effect on the Cash Settlement Amount.

Where more than one Currency Pair is specified in the applicable Final Terms, as above, the Cash Settlement Amount will reflect the weighted average of all Currency Pairs. As such, whilst the value of the Settlement Rate of a particular Currency Pair may have either a positive or negative effect on the Cash Settlement Amount, the Cash Settlement Amount will ultimately reflect the combined weighted figures for all Currency Pairs. Prospective investors should note that any payments made under the FX Basket Knock-In W&C Securities will be subject to the deduction of any applicable Exercise Expenses.

The observation period for the Continuous Knock-In Condition commences at 7:00 am London time on the specified Trade Date and ends at 4:00 pm London time on the specified Observation Cut-Off Date. The Continuous Knock-In Condition is met in respect of the Securities if, during this observation period, at any time on any Observation Date during any Weekly Observation Interval the Settlement Rate of any specified Currency Pair is equal to or greater than the Knock-In Level specified in respect of such Currency Pair. The Trade Date, Observation Cut-Off Date, Observation Dates and the applicable Knock-In Level for each Currency Pair are as specified in the applicable Final Terms.

(xxxii) Equity Delta One W&C Securities

The Reference Item for Equity Delta One Redemption W&C Securities is the Share specified in the applicable Final Terms. The amount of the Cash Settlement Amount payment for the Securities is linked to the performance of the relevant Share. The amount of any coupon payments payable under the Securities will be determined by reference to any dividends paid in respect of that Share. All such determination will be made in accordance with the provisions of W&C Securities Condition 18.3 as completed by the information set out at paragraph 25 of Part A of the applicable Final Terms. The intention of the Securities is to generate a return similar to a holding of the relevant Share.

In accordance with Condition 18.3, the Cash Settlement Amount in respect of each W&C Security is calculated by reference to the Final Price multiplied by the applicable exchange rate less any Costs as determined by the Calculation Agent in accordance with the provisions of Condition 18.3. As such, subject to the terms of Condition 18.3 (including, *inter alia*, the deduction of the applicable Costs and the effect of any dividends paid (see further below)), where the value of the underlying Share increases, the value of the Cash Settlement Amount should increase and where the value of the underlying Share decreases, the value of the Cash Settlement Amount should decrease. Where a cash dividend is declared in respect of the underlying Share the relevant share issuer such that any holder of such Share would be entitled to receive that cash dividend during the term of the W&C Securities (as further described in Condition 18.3) a coupon amount will be paid in respect of the Securities equal to the amount of such cash dividend declared in relation to one Share less those applicable withholding taxes (if any) and other expenses or deductions as further described in paragraph (b) of Condition 18.3.

19. *Is the market value and interest and amount payable or deliverable in respect of my Securities subject to the credit risk of the Issuer and the Guarantors?*

Yes. You will have no recourse to the Reference Item(s), so you will be exposed to the credit risk of the Issuer and if the Securities are Guaranteed Securities, the relevant Guarantor. The market value of the Securities will not only be affected by the value of the Reference Item(s), but will also depend in part on the credit rating of the Issuer or the relevant Guarantor (if any).

20. *If my Securities are linked to a Reference Item, will I have recourse to that asset if the Issuer and the Guarantor (if any) default?*

No. The Securities are linked to the performance of the Reference Item, but there is no obligation on the Issuer or if the Securities are Guaranteed Securities, the Guarantor to hold the Reference Item. Even if the Issuer or if the Securities are Guaranteed Securities, the Guarantor does hold the Reference Item, it will not be segregated from the other assets of the Issuer or, if the Securities are Guaranteed Securities, the Guarantor for the benefit of the holders of Securities.

21. *Who calculates the amounts payable to me?*

Unless otherwise specified in the relevant Final Terms, Nomura International plc will act as the Calculation Agent in respect of Securities and in such capacity, will determine the performance levels of the Reference Item(s) on specified valuation dates and will determine any interest amounts and the redemption amounts and/or physical settlement amounts payable or deliverable by the Issuer in respect of such Securities. In the event that a disruption event has occurred in respect of a Reference Item on a specified valuation date which renders it impossible or impractical for the Calculation Agent to make a determination on such date, the valuation may be postponed to an alternative date in accordance with the terms and conditions of the Securities.

In the event your Securities are redeemed or cancelled early because of an Extraordinary Event (these are described in the terms and conditions of the Securities), the Calculation Agent will determine the early payment

amount of your Securities. This may be based in some cases on its determining the fair market value of your Securities and deducting certain costs.

22. *What are Index Linked Securities?*

Amounts payable or assets deliverable in respect of some Securities, as indicated in the relevant Final Terms, will be calculated by reference to the performance of an index or a basket of indices over a fixed period of time or on fixed dates. Such Securities are known as Index Linked Securities.

An index is a synthetic portfolio of shares or other assets or reference bases representing a particular market, or portion of it and each such index has its own calculation methodology and is usually expressed in terms of a level or a change from a base value.

There are three types of such indices that are referenced by Securities: (i) a unitary equity index, where the underlying shares trade on a single stock exchange and the level of such index is published on a recognised information service; (ii) a multi-exchange equity index, where the underlying shares trade on more than one stock exchange and the level of such index is published on a recognised information service, and (iii) a proprietary index, where the level of such index is calculated by the entity that owns and sponsors such index and information on it may only be available from that sponsor. A Nomura Group entity may be the sponsor of an index.

23. *What are Equity Linked Securities?*

Amounts payable or assets deliverable in respect of some Securities, as indicated in the relevant Final Terms, will be calculated by reference to the performance of a share or a basket of shares (or to American depositary receipts or global depositary receipts) over a fixed period of time or on fixed dates. Such Securities are known as Equity Linked Securities. The shares of companies that are referenced by such Securities may be traded on a stock exchange and the prices of such shares may be published on recognised information services, for example, Bloomberg or Reuters screens or on the share issuer's website, in which case you will be able to monitor the relevant share prices during the life of the Equity Linked Securities.

24. *What are FX Linked Securities?*

Amounts payable in respect of some Securities, as indicated in the relevant Final Terms, will be calculated by reference to the performance of a foreign exchange rate or a basket of foreign exchange rates over a fixed period of time or on fixed dates. Such Securities are known as FX Linked Securities. Foreign exchange rates indicate the relationship between one specified currency and another currency. The values of such foreign exchange rates may be published by recognised information services and in some cases are determined by central banks.

25. *What are Commodity Linked Securities?*

Amounts payable or assets deliverable in respect of some Securities, as indicated in the relevant Final Terms, will be calculated by reference to the performance of a commodity, or a basket of commodities, a commodity index or a basket of commodity indices over a fixed period of time or on fixed dates. Such Securities are known as Commodity Linked Securities.

Commodities (including contracts that provide for physical delivery or are based on the price of a deliverable commodity) and commodity indices are generally divided into four main classes: (i) energy, which includes crude oil, gasoline, heating oil and natural gas, (ii) agricultural produce, which includes corn, soybeans, soybean oil, wheat, sugar, cocoa, cotton and coffee, (iii) livestock, which includes cattle and lean hogs, and (iv) metals, which can be subdivided into base metals such as aluminium, copper, nickel, lead and zinc, and precious metals such as gold, silver and platinum.

A commodity index is generally a synthetically produced weighted basket of commodity futures contracts that satisfy specified criteria and is designed to be a liquid and diversified benchmark for such commodities. Each commodity index has its own composition and calculation methodology and is usually expressed in terms of a change from a base value.

26. What are Fund Linked Securities?

Amounts payable or assets deliverable in respect of some Securities, as indicated in the relevant Final Terms, will be calculated by reference to the performance of a fund interest or a basket of fund interests over a fixed period of time or on fixed dates. Such fund interests may include interests in exchange traded funds and information on it may only be available from that sponsor. Such Securities are known as Fund Linked Securities.

27. What are Inflation Linked Securities?

Amounts payable in respect of some Securities, as indicated in the relevant Final Terms, will be calculated by reference to the performance of an inflation index or a basket of inflation indices over a fixed period or on fixed dates. Such Securities are known as Inflation Linked Securities.

28. What are Credit Linked Securities?

Credit Linked Securities are Securities in respect of which either (a) the amount payable in respect of principal and the amount payable in respect of interest (if applicable) or (b) the amount payable in respect of interest (**Interest Only Credit Linked Securities**), are linked to the credit risk of one or more underlying entities (each a **Reference Entity**). In exchange for a rate of interest or other return on the Securities in the absence of a Credit Event, investors take the risk that (as applicable) the amount which they receive in respect of principal on a Security will be less than the face value of the Security and the amount of interest they receive may be reduced if any of the underlying Reference Entities have, amongst other similar things, become insolvent or defaulted on its obligations. Insolvency or default of a Reference Entity is referred to as a **Credit Event** having occurred. If a Credit Event has occurred during the prescribed period of credit risk with respect to a Reference Entity to which your Securities are linked, unless the Securities are Interest Only Credit Linked Securities and if applicable subject to the tranche attachment provisions described above, you will receive a reduced percentage (which may be zero) of the face value of each Security you hold, calculated by reference to the recovery rate achieved by creditors of the Reference Entity if your Securities are cash settled, the weighting of the relevant Reference Entity and the relevant recovery rate achieved by creditors of the Reference Entity in relation to recovery basket Securities, the weighting of the relevant Reference Entity in the basket in relation to zero recovery basket Securities (which means you will not receive the benefit of any recovery rate otherwise achieved by creditors of that Reference Entity), or you will receive a certain direct or indirect obligation of the Reference Entity which is likely to have a value which is lower than the face value of each Security if your Securities are physically settled and in each case your Securities will cease to accrue interest (in the case of basket Securities, on an amount equal to the reduction in the face value). If a Credit Event has occurred during the prescribed period of credit risk with respect to a Reference Entity to which your Securities are linked and your Securities are Interest Only Credit Linked Securities, subject if applicable to the tranche attachment provisions described above, you will receive interest calculated on a reduced percentage (which may be zero) of the face value of each Security you hold calculated by reference to the weighting of the relevant Reference Entity in the basket and the relevant recovery rate achieved by creditors of the Reference Entity in relation to recovery basket Securities, or the weighting of the relevant Reference Entity in the basket in relation to zero recovery basket Securities (which means you will not receive the benefit of any recovery rate otherwise achieved by creditors of that Reference Entity). If a Credit Event has occurred with respect to a Reference Entity to which your Securities are linked during the prescribed period of credit risk and your Securities are zero recovery single name credit linked Securities, you will receive no redemption amount at all and the Issuer's obligations under the Securities will be discharged.

(i) What is Auction Settlement?

Auction Settlement may apply in the case of Credit Linked Securities.

When a credit event occurs in respect of a reference entity that is referenced in a significant volume of credit derivative transactions, a determinations committee established by ISDA may determine that one or more auctions should be held in order to facilitate settlement of those transactions at the same time and at a fixed settlement price. During the auction process primary credit derivatives dealers that choose to participate in the auction submit prices at which they would buy and sell the reference entity's debt obligations and requests for physical settlement that they have received from their counterparties.

(ii) Why was Auction Settlement developed?

Historically auctions were held by ISDA from time to time following the occurrence of credit events in respect of widely traded reference entities. Market participants adhered to protocols that provided for auction settlement of their transactions, and this auction settlement became the primary settlement method for credit events on widely traded reference entities. As a result ISDA has facilitated, at the request of regulators in the U.S. and Europe and with the involvement of many participants in the credit derivatives markets, the "hardwiring" of auction settlement as a new settlement method into the documentation for credit derivative transactions. By means of general protocols published by ISDA, to which several thousand counterparties have adhered, auction settlement has become the market standard settlement method in the over-the-counter credit derivatives markets. Auction settlement is also being adopted by market participants for other credit-linked products such as the Securities.

(iii) How will Auction Settlement apply in relation to the Securities?

In the case of Securities for which "Auction Settlement" is specified as the settlement method in the applicable Final Terms or for recovery basket Securities, if a credit event occurs in respect of the relevant reference entity and an auction is held for that reference entity, the final price determined by such auction will apply in respect of that reference entity for the purposes of the Securities. The final price (or recovery value) so determined will apply to the calculation of the Credit Event Redemption Amount, the calculation of the Aggregate Reduction Amount, the calculation of the Aggregate Incurred Recovery Amount and the calculation of the Recovery Amount (as applicable). If no auction is held, cash settlement will apply in order to determine the applicable recovery value.

29. What are Swedish Securities?

Swedish Securities means any series of Securities designated as "*Swedish N&C Securities*" or "*Swedish W&C Securities*", as applicable, in the applicable Final Terms. Swedish Securities may be issued as Exempt Securities or as Non-Exempt Securities.

Swedish Securities will be issued pursuant to a Swedish Agency Agreement with Swedbank AB (publ) as Swedish Issuing Agent and will be registered in uncertificated and dematerialised electronic book-entry form with a Swedish Central Securities Depository which will be Euroclear Sweden AB, Box 191, SE-101 23, Stockholm, Sweden or any successor thereto acceptable to the Issuer (**Euroclear Sweden AB**) in accordance with all applicable Swedish laws, regulations and rules. Swedish Securities registered in Euroclear Sweden AB are negotiable instruments and not subject to any restrictions on free negotiability under Swedish law. For so long as it is a requirement of the applicable rules of Euroclear Sweden AB, Swedish Securities may not provide for any form of settlement in respect of payment of interest, principal or premium other than payment in cash. Swedish Securities will not be issued in definitive form.

Further details relating to Swedish Securities are set out at Annex 9 "*Additional Terms and Conditions for Swedish Securities*".

30. What are Finnish Securities

Finnish Securities means any series of Securities designated as "*Finnish N&C Securities*" or "*Finnish W&C Securities*", as applicable, in the applicable Final Terms. Finnish Securities may be issued as Exempt Securities or as Non-Exempt Securities.

Finnish Securities will be issued pursuant to a Finnish Agency Agreement with the Finnish Issuer Agent and will be registered in uncertificated and dematerialised electronic book-entry form with a Finnish Central Securities Depository which will be Euroclear Finland Oy, PO Box 1110, Urho Kekkosen katu 5C, 00100 Helsinki, Finland or any successor thereto acceptable to the Issuer (Euroclear Finland Oy) in accordance with all applicable Finnish laws, regulations and rules. Finnish Securities registered in Euroclear Finland Oy are negotiable instruments and not subject to any restrictions on free negotiability under Finnish law. For so long as it is a requirement of the applicable rules of Euroclear Finland Oy, Finnish Securities may not provide for any form of settlement in respect of payment of interest, principal or premium other than payment in cash. Finnish Securities will not be issued in definitive form.

Further details relating to Finnish Securities are set out in *Annex 16 "Additional Terms and Conditions for Finnish Securities"*.

31. What are Swiss Securities?

Swiss Securities means any series of Securities designated as "*Swiss N&C Securities*" or "*Swiss W&C Securities*", as applicable, in the applicable Final Terms. Swiss Securities may be issued as Exempt Securities or as Non-Exempt Securities.

Swiss Securities may be issued in (i) bearer global form (in the case of Swiss N&C Securities) or non-bearer global form (in the case of Swiss W&C Securities) or (ii) uncertificated form (**Uncertificated Securities**), which Uncertificated Securities shall entered into the main register (*Hauptregister*) of SIX SIS Ltd. or any other relevant clearing system on or prior to their issue date as intermediated securities (*Bucheffekten*) (**Intermediated Securities**) within the meaning of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Securities in global form will be represented by one or more permanent global securities and deposited with the relevant clearing system or common depository. Once the permanent global security has been so deposited and the Securities entered into the accounts of one or more participants of the relevant clearing system or common depository, the Securities will constitute Intermediated Securities. Each holder of Securities in global form shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the permanent global security representing such Securities to the extent of their claim against the Issuer, provided that, for so long as the permanent global security remains deposited with the clearing system or common depository, the co-ownership interest shall be suspended and such Security may only be transferred by the entry of the transferred Securities in a securities account of the transferee. The records of the clearing system or common depository will determine the number of Securities held through each participant of the clearing system or common depository. In respect of Securities held in the form of Intermediated Securities, the holders of such Securities will be the persons holding such Securities in a securities account (*Effektenkonto*) that is in their name, or, in the case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding such Securities for their own account in a securities account (*Effektenkonto*) that is in their name (and the expressions "Securityholder", "Holder" and "holder of Global Securities" and related expressions shall be construed accordingly).

Uncertificated Intermediated Securities will remain registered in the main register (*Hauptregister*) of SIX SIS Ltd. until the earlier of expiration, exercise and printing of the relevant series of Swiss Securities. So long as the uncertificated Swiss Securities constitute Intermediated Securities, they may only be transferred by the entry of the transferred uncertificated Swiss Securities in a securities account of the transferee.

Further details relating to Swiss Securities are set out at Annex 10 "*Additional Terms and Conditions for Swiss Securities*".

32. What are Preference Share Linked N&C Securities?

Preference Share Linked N&C Securities are linked to preference shares of a UK private limited company and will represent an investment linked to the economic performance of the preference shares. The preference shares will in turn be linked to the economic performance of one or more specified Reference Item(s) and prospective investors should note that the return (if any) on their investment in such Preference Share Linked N&C Securities will depend upon the performance of the preference shares, which will in turn depend upon the performance of such Reference Item(s). Whilst the redemption amount of such Preference Share Linked N&C Securities is linked to the market value of preference shares which will be influenced (positively or negatively) by the Reference Item(s), any change may not be comparable to a direct investment in the Reference Item(s) and may be disproportionate.

As the amounts payable in respect of Preference Share Linked N&C Securities are linked to preference shares which are in turn linked to the performance of the relevant Reference Item(s), a purchaser of such a Preference Share Linked N&C Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Item(s). Assuming all other factors are held constant, the lower the value of the Preference Share Linked N&C Securities and the shorter the remaining term to redemption, the greater the risk that purchasers of such Preference Share Linked N&C Securities will lose all or part of their investment.

Preference Share Linked N&C Securities linked to preference shares are not principal protected. Investors in Preference Share Linked N&C Securities risk losing their entire investment if the value of the relevant preference shares does not move in the anticipated direction. Preference Share Linked N&C Securities may only be issued as Exempt Securities.

FORM OF THE SECURITIES

The following section applies to both Exempt Securities and Non-Exempt Securities.

Words and expressions defined in the "Terms and Conditions of the N&C Securities" or the "Terms and Conditions of the W&C Securities", as applicable, shall have the same meanings in this Form of the Securities.

Form of the N&C Securities

The N&C Securities of each Series will be in either bearer form (**Bearer N&C Securities**), with or without interest coupons attached or registered form (**Registered N&C Securities**), without interest coupons attached. Bearer N&C Securities will be issued outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the United States Securities Act of 1933, as amended (the **Securities Act**) (**Regulation S**). Registered N&C Securities will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States to QIBs that are also QPs or to U.S. persons (as defined in Regulation S) who are QIBs and also QPs in reliance on Rule 144A under the Securities Act (**Rule 144A**) and, in each case, who agree to purchase the N&C Securities for their own account or for the accounts of one or more other persons each of whom is a QIB that is a QP and not with a view to the distribution thereof and, unless otherwise provided in the applicable Final Terms, provide an Investor Representation Letter substantially in the form set out in the Agency Agreement or otherwise in private transactions that are exempt from the registration requirements of the Securities Act and any applicable state securities laws.

Bearer N&C Securities

Each Tranche of Bearer N&C Securities will initially be issued in the form of a temporary global security (a **Temporary Bearer Global N&C Security**) or, if so specified in the applicable Final Terms, a permanent global security (a **Permanent Bearer Global N&C Security** and, together with a Temporary Bearer Global N&C Security, each a **Bearer Global N&C Security**) which, in either case, will:

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

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

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

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global N&C Security is issued, interests in such Temporary Bearer Global N&C Security will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global N&C Security of the same Series or (ii) definitive Bearer N&C Securities of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. Persons (as defined below) will not be able to receive definitive Bearer N&C Securities. The holder of a Temporary Bearer Global N&C Security will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global N&C Security for an interest in a Permanent Bearer Global N&C Security or for definitive Bearer N&C Securities is improperly withheld or refused. The Bearer N&C Securities will be subject to certain restrictions on transfer set forth therein or will bear a legend regarding such restrictions.

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

The applicable Final Terms will specify that a Permanent Bearer Global N&C Security will be exchangeable (free of charge), in whole but not in part, for definitive Bearer N&C Securities with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in N&C Securities Condition 11) has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Securityholders in accordance with N&C Securities Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global N&C Security) may give notice to the Principal Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Agent.

The following legend will appear on all Permanent Bearer Global N&C Securities and definitive Bearer N&C Securities and on all receipts and interest coupons relating to such N&C Securities where TEFRA D is specified in the applicable Final Terms:

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

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

Securities which are represented by a Bearer Global N&C Security will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered N&C Securities

The Registered N&C Securities of each Tranche offered and sold in reliance on Regulation S, which will be sold in offshore transactions to non-U.S. persons outside the United States, will initially be represented by a global security in registered form (a **Regulation S Global N&C Security**).

The Registered N&C Securities of each Tranche of N&C Securities offered and sold in the United States or to, or for the account or benefit of, U.S. persons may only be offered and sold in private transactions (a) in the United States to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act

(**QIBs**) who are also "qualified purchasers" (**QPs**) within the meaning of Section 3(c)(7) and as defined in Section 2(a)(51)(A) of the United States Investment Act of 1940, as amended (the **1940 Act**), or (b) to U.S. persons who are **QIBs** and also **QPs** and, in each case, who agree to purchase N&C Securities for their own account or for the accounts of one or more other persons each of whom is a **QIB** and also a **QP** and not with a view to the distribution thereof and, unless otherwise provided in the applicable Final Terms, provide an Investor Representation Letter substantially in the form set out in the Agency Agreement. All such N&C Securities will initially be represented by a global security in registered form (a **Rule 144A Global N&C Security** and, together with a Regulation S Global N&C Security, each a **Registered Global N&C Security**).

Registered Global N&C Securities will either (i) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company (**DTC**) or (ii) be deposited with a common depository for Euroclear and Clearstream, Luxembourg, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Persons holding beneficial interests in Registered Global N&C Securities will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive N&C Securities in fully registered form.

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

Payments of principal, interest and any other amount in respect of the Registered Global N&C Securities will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.2.1) as the registered holder of the Registered Global N&C Securities. None of the Issuer, the Guarantors, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global N&C Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered N&C Securities in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.2.1) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global N&C Security will be exchangeable (free of charge), in whole but not in part, for definitive Registered N&C Securities without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means:

- (a) an Event of Default has occurred and is continuing;
- (b) in the case of N&C Securities registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the N&C Securities and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available;
- (c) in the case of N&C Securities registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available;
- (d) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the N&C Securities represented by the Global N&C Security in definitive registered form.

The Issuer will promptly give notice to Securityholders in accordance with N&C Securities Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global N&C Security) may give notice to the Registrar (or request that the Principal Agent does so) requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

To the extent permitted by law, the Issuer, the Principal Agent and the Registrar shall be entitled to treat the holder of any N&C Security as the absolute owner thereof.

Transfer of Interests

Interests in a Registered Global N&C Security may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global N&C Security. No beneficial owner of an interest in a Registered Global N&C Security will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

Registered N&C Securities are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Offering and Sale*".

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the N&C Securities*"), the Principal Agent shall arrange that, where a further Tranche of N&C Securities is issued which is intended to form a single Series with an existing Tranche of N&C Securities at a point after the Issue Date of such further Tranche, the N&C Securities of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number, which are different from the common code, ISIN, CUSIP and CINS assigned to N&C Securities of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of any applicable period that by law or regulation would require such N&C Securities not to be fungible.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or Euroclear Sweden AB and/or Euroclear Finland Oy and/or SIX SIS Ltd shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or, in the case of Exempt Securities as may otherwise be approved by the Issuer, the relevant Guarantor (if any) and the Principal Agent or the Registrar, as the case may be.

An N&C Security may be accelerated by the holder thereof in certain circumstances described in N&C Securities Condition 11. In such circumstances, where any N&C Security is still represented by a Global N&C Security and the Global N&C Security (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such N&C Securities and payment in full of the amount due has not been made in accordance with the provisions of the Global N&C Security then from 8.00 p.m. (London time) on such day, holders of interests in such Global N&C Security credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC and/or Euroclear Sweden AB and/or Euroclear Finland Oy and/or SIX SIS Ltd, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and/or DTC Euroclear Sweden AB and/or Euroclear Finland Oy and/or and/or SIX SIS Ltd on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated on or about 20 September 2023 executed by the Issuer. In addition, holders of interests in such Global N&C Security credited to their accounts with DTC may require DTC to deliver N&C Securities in definitive registered form in exchange for their interest in such Global N&C Security in accordance with DTC's standard operating procedures.

The Issuer and the relevant Guarantor (if any) may agree with any Dealer and the LuxSE that N&C Securities may be issued in a form not contemplated by the Terms and Conditions of the N&C Securities herein, in which event, in the case of Non-Exempt N&C Securities only, a new prospectus or a supplement to the Base Prospectus, if appropriate, will be made available which will, in the case of Non-Exempt N&C Securities only, describe the effect of the agreement reached in relation to such N&C Securities.

Form of W&C Securities

The W&C Securities of each Series will be in registered form. W&C Securities may be issued either (i) within the United States to QIBs that are also QPs or to, or for the account or benefit of, U.S. persons who are QIBs and also QPs in reliance on Rule 144A and, in each case, who agree to purchase the W&C Securities for their own account or for the accounts of one or more other persons each of whom is a QIB that is a QP and not with a view to the distribution thereof or (ii) to, or for the account or benefit of, non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S.

In the event that the applicable Final Terms specifies that W&C Securities are eligible for sale in the United States or to, or for the account or benefit of, U.S. persons, interests in such W&C Securities will be represented by a Rule 144A Global W&C Security (the **Rule 144A Global W&C Security**) and may only be offered and sold in private transactions pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws (a) in the United States to QIBs that are QPs or (b) to U.S. persons who are QIBs and also QPs and, in each case, who agree to purchase the W&C Securities for their own account or for the accounts of one or more other persons each of whom is a QIB that is a QP and not with a view to the distribution thereof and (unless otherwise provided in the applicable Final Terms) provide an Investor Representation Letter substantially in the form set out in the Agency Agreement. If it is specified in the applicable Final Terms that W&C Securities as described above may also be sold outside of the United States in offshore transactions to non-U.S. persons in reliance on Regulation S and pursuant to CFTC rules, regulations and guidance, such interests in the W&C Securities will be represented by a Regulation S Global W&C Security (the **Regulation S Global W&C Security**).

In the event that the applicable Final Terms does not specify that the W&C Securities are eligible for sale in the United States to QIBs who are also QPs or to, or for the account or benefit of, U.S. persons who are QIBs and also QPs, the W&C Securities will be represented by a Permanent Global W&C Security (the **Permanent Global W&C Security**).

Permanent Global W&C Securities are permanently prohibited from being offered, sold, resold, transferred, pledged or delivered in the United States or to, or for the benefit of (a) a "U.S. person" as defined in Regulation S, (b) a person other than a "Non-United States person" as defined in Rule 4.7 under the United States Commodity Exchange Act of 1936, as amended (the **CEA**), (c) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the United States Commodity Futures Trading Commission (the **CFTC**), or the final rule relating to Cross-Border Application of the Registration Thresholds and Certain Requirements Applicable to Swap Dealers and Major Swap Participants promulgated by the CFTC, in each case as amended, modified or supplemented from time to time, pursuant to the CEA, (d) any other "U.S. person" as such term may be defined in Regulation S or in regulations or guidance adopted under the CEA, or (e) a "United States person" as defined in the United States Internal Revenue Code of 1986, as amended and the United States Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time (each such person, a **U.S. Person**).

References herein to a "Global W&C Security" include, as the context so requires, a Rule 144A Global W&C Security, a Regulation S Global W&C Security and a Permanent Global W&C Security. Interests in a Permanent Global W&C Security may not be exchanged for interests in any other Global W&C Security. Interests in a Rule 144A Global W&C Security may not be exchanged for interests in a Permanent Global W&C Security. Interests in a Regulation S Global W&C Security may not be exchanged for interests in a Permanent Global W&C Security.

Each Permanent Global W&C Security and Regulation S Global W&C Security will be deposited with a depositary (a **Common Depositary**) on behalf of Clearstream Banking S.A. (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. (**Euroclear**). A Rule 144A Global W&C Security will be either (i) deposited with the New York Security Agent as custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**) and references herein to W&C Securities "held through" DTC will be deemed to be references to W&C Securities so represented, or (ii) deposited with a Common Depositary common to Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Unless otherwise expressly stated in the applicable Final Terms, each Global W&C Security will be deposited with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.

In the case of W&C Securities represented by a Regulation S Global W&C Security held through Euroclear and/or Clearstream, Luxembourg, if the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or the Issuer receives a notice from DTC as described below in relation to the Rule 144A Global W&C Security held through DTC corresponding to the same Series of W&C Securities as such Regulation S Global W&C Security, the Issuer will promptly give notice to Securityholders

in accordance with W&C Securities Condition 9 and will deliver W&C Securities in definitive registered form (bearing such legends as may be required by the Issuer) in exchange for the Regulation S Global W&C Security.

In the case of W&C Securities represented by a Rule 144A Global W&C Security held through DTC, if DTC notifies the Issuer that it is unwilling or unable to continue as a depositary for that Rule 144A Global W&C Security, or if at any time DTC ceases to be a "clearing agency" registered under the U.S. Securities Exchange Act of 1934, as amended, and a successor depositary is not appointed by the Issuer within 90 days of such notice, or the Issuer receives notice as described above in respect of the closure of Euroclear and Clearstream, Luxembourg in relation to the Regulation S Global W&C Security held through Euroclear and Clearstream, Luxembourg corresponding to the same Series of W&C Securities as such Rule 144A Global W&C Security, the Issuer will deliver W&C Securities in definitive registered form (bearing such legends as may be required by the Issuer) in exchange for that Rule 144A Global W&C Security.

Except in the circumstances described in the preceding two paragraphs, owners of beneficial interests in a Global W&C Security will not be entitled to have any portion of such W&C Securities registered in their name and will not receive or be entitled to receive physical delivery of registered W&C Securities in definitive form in exchange for their interests in that Global W&C Security. Transfer, exercise, termination, settlement and other mechanics related to any W&C Securities issued in definitive form in exchange for W&C Securities represented by a Global W&C Security shall be as agreed between the Issuer, the Principal Agent and, in the case of W&C Securities represented by a Rule 144A Global W&C Security, the New York Security Agent.

The Issuer and the relevant Guarantor (if any) in respect of any Tranche of W&C Securities may agree with any Dealer that Securities other than Exempt Securities may be issued in a form not contemplated by the relevant Terms and Conditions, in which event a supplement to this Base Prospectus or a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such W&C Securities.

FORM OF FINAL TERMS FOR NON-EXEMPT N&C SECURITIES

[Date]

[[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) [other than:]

[[(i)] during the PRIIPs Compliant Sales Period specified in Part B below[; and]]

[[(ii)] in the PRIIPs Retail Offer Jurisdiction[s] specified in Part B below]].

For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**).

[A key information document as required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has only been prepared for the purposes of use [in the PRIIPs Retail Offer Jurisdiction[s]] [during the PRIIPs Compliant Sales Period].]* No key information document [required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the EEA]** has been prepared [for use [in any other jurisdiction] [or] [at any other time]].* Consequently offering or selling the Securities or otherwise making them available to any retail investor in the EEA [other than [in the PRIIPs Retail Offer Jurisdiction[s]] [during the PRIIPs Compliant Sales Period]]* may be unlawful under the PRIIPs Regulation.^{1]}

* Include where either a PRIIPs Retail Offer Jurisdiction(s) or a PRIIPs Compliant Sales Period is specified and tailor as appropriate.

** Include where neither a PRIIPs Retail Offer Jurisdiction(s) nor a PRIIPs Compliant Sales Period is specified.

[[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**) [other than during the UK PRIIPs Compliant Sales Period specified in Part B below].

For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

[A key information document as required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the UK has only been prepared for the purposes of use during the UK PRIIPs Compliant Sales Period.]* No key information document [required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the UK]** has been prepared [for use at any other time]*. Consequently offering or selling the Securities or otherwise making them available to any

¹ Legend to be included on front of the Final Terms if the Securities potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case, the "Prohibition of Sales to EEA Retail Investors" selling restriction should be specified to be "Applicable" in Part B of the Final Terms. Note that the form of legend and selling restriction also allow the manufacturer to permit sales to EEA Retail Investors for a specified period and/or in specified EEA jurisdictions with a prohibition of sales to EEA Retail Investors to apply in all other jurisdictions and at all other times.

retail investor in the UK [other than during the UK PRIIPs Compliant Sales Period]^{*} may be unlawful under the UK PRIIPs Regulation.]^{2]}

^{*} Include where a UK PRIIPs Compliant Sales Period is specified and tailor as appropriate.

^{**} Include where a UK PRIIPs Compliant Sales Period is not specified.

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the SFA) – [In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018), the Issuer has determined the classification of the Securities as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]/[specify alternative form of notice if required]]**^{***}

^{***} Insert notice if the classification of the Securities is not "capital markets products other than prescribed capital markets products", pursuant to Section 309B of the SFA or Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). In each case the relevant Dealer(s) should consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

[PROHIBITION OF OFFER TO PRIVATE CLIENTS IN SWITZERLAND – [Other than with respect to offers of the Securities during the [Swiss KID Compliant Sales Period specified in Part B below] [period[s] [●]-[●],] for which a key information document according to the Swiss Federal Financial Services Act (FinSA**) or an equivalent document under FinSA has been prepared]] [t][T]he Securities shall not be offered or sold to private clients within the meaning of [the Swiss Federal Financial Services Act (**FinSA**)] [FinSA] in Switzerland.]³**

[The Securities are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority FINMA (**FINMA**) and investors in the Securities will not benefit from supervision by FINMA. The Securities do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes (**CISA**) and investors will not benefit from the specific investor protection under the CISA.]⁴

NOMURA INTERNATIONAL FUNDING PTE. LTD.

Legal entity identifier (LEI): 5493006YXUX4IZ8XXW98

**Issue of [Aggregate Nominal Amount/Number of Units of Tranche] [Title of N&C Securities]
under the Nomura International Funding Pte. Ltd.**

**Note, Warrant and Certificate Programme
[unconditionally and irrevocably guaranteed as to payment obligations
by [Nomura Holdings, Inc.] [Nomura Securities Co., Ltd.]**

PART A – CONTRACTUAL TERMS

[Insert unless the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date:

² Legend to be included on front of the Final Terms if the Securities potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case, the "Prohibition of Sales to UK Retail Investors" selling restriction should be specified to be "Applicable" in Part B of the Final Terms. Note that the form of legend and selling restriction also allow the manufacturer to permit sales to UK Retail Investors for a specified period with a prohibition of sales to UK Retail Investors to apply in all other jurisdictions and at all other times.

³ Legend to be included if the N&C Securities potentially constitute debt instruments with a "derivative character" for the purpose of FinSA and are offered in Switzerland and no key information document or equivalent document under FinSA will be prepared or the Issuer wishes to prohibit offers to private clients in Switzerland for any other reason, in which case, the "Prohibition of Offer to Private Clients in Switzerland" selling restriction should be specified to be "Applicable" in Part B of the Final Terms. Note that the form of legend and selling restriction also allow the manufacturer to permit sales to private clients in Switzerland for a specified period.

⁴ Include if N&C Securities are offered in Switzerland.

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 20 September 2023 [and the supplement[s] to the Base Prospectus dated [●] [and [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). [[These Final Terms do not relate to a non-exempt public offer for the purposes of the Prospectus Regulation.]⁵ [These Final Terms will be deposited with SIX Exchange Regulation Ltd. as review body (*Prüfstelle*) in Switzerland and published according to Article 64 [of the Swiss Federal Financial Services Act (**FinSA**)] [FinSA] for the purposes of an offer of the N&C Securities to the public in Switzerland on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented] which has been included as a foreign prospectus that is deemed approved according to Article 54(2) FinSA in the list of approved prospectuses according to Article 64(5) FinSA by SIX Exchange Regulation Ltd., deposited with this review body and published according to Article 64 FinSA.]⁶ [This document constitutes the Final Terms of the N&C Securities described herein for the purposes of the Prospectus Regulation.]⁷ These Final Terms must be read in conjunction with the Base Prospectus [as supplemented], in order to obtain all the relevant information. [Insert for straddle offers: Subject as provided below, full][Full] information on the Issuer[, the Guarantor] and the offer of the N&C Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. [A summary of the N&C Securities is annexed to these Final Terms.] The Base Prospectus has also been published on the website of the Luxembourg Stock Exchange (www.luxse.com).

[Insert the following additional language into the initial set of Final Terms for straddle offers for which two sets of Final Terms will be published: **The Offer Period for the N&C Securities extends beyond the validity of the Base Prospectus which will expire on [insert date] (the Expiry Date).** Prior to this date, a successor base prospectus in respect of the Programme (the **Successor Base Prospectus**) and successor Final Terms for the N&C Securities (the **Successor Final Terms**) will be published. From and including the date on which the Successor Base Prospectus is approved by the Commission de Surveillance du Secteur Financier, (i) the Successor Final Terms shall constitute the Final Terms for the N&C Securities for the purposes of the Prospectus Regulation and (ii) full information on the Issuer[, the Guarantor] and the offer of the N&C Securities shall only be available on the basis of the combination of the Successor Final Terms and the Successor Base Prospectus. **The Successor Base Prospectus will be published on the website of the Luxembourg Stock Exchange (www.luxse.com).** **The Successor Final Terms will be published at [insert website].]**

[Insert the following additional language for straddle offers for which a single set of Final Terms will be published: **The Offer Period for the N&C Securities extends beyond the validity of the Base Prospectus which will expire on [insert date] (the Expiry Date).** Prior to this date, a successor base prospectus in respect of the Programme (the **Successor Base Prospectus**) will be published. From and including the date on which the Successor Base Prospectus is approved by the *Commission de Surveillance du Secteur Financier*, (i) these Final Terms must be read in conjunction with the Successor Base Prospectus and (ii) full information on the Issuer[, the Guarantor] and the offer of the N&C Securities shall only be available on the basis of the combination of these Final Terms and the Successor Base Prospectus. **The Successor Base Prospectus will be published on the website of the Luxembourg Stock Exchange (www.luxse.com).**] (*N.b. if this option is used, (i) the form of Final Terms from this base prospectus will need to be incorporated by reference in the successor base prospectus and (ii) the successor base prospectus will need to contain details of the Securities (e.g. by ISIN) that are the subject of the straddle offer and where the Final Terms for those Securities are published*)

[The following alternative language applies if (i) the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date or (ii) these Final Terms are Successor Final Terms for the purposes of a straddle offer of Securities commenced under an earlier base prospectus. *N.b. If this form of final terms takes a different form to the final terms used for the original issue being tapped, the Conditions of the original issue that is being tapped should be reviewed to ensure that they would not require information to be included in the final terms for the tap issuance which is not contemplated in this pro forma. Where the*

⁵ Include where applicable.

⁶ Include where the Base Prospectus has been deemed approved according to Article 54(2) FinSA in the list of approved prospectuses according to Article 64(5) FinSA by SIX Exchange Regulation Ltd..

⁷ Include where the Final Terms constitute final terms for the purposes of the Prospectus Regulation.

final terms documenting the further issue would need to include such information, it will not be possible to tap using final terms and a drawdown prospectus (incorporating the original Conditions and final terms) will instead need to be prepared:

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [5 August 2013][1 August 2014][31 July 2015] [11 December 2015][16 September 2016][15 September 2017][14 September 2018][11 July 2019][17 April 2020][22 February 2021][7 October 2021][6 October 2022] which are incorporated by reference in the Base Prospectus dated 20 September 2023. [[These Final Terms do not relate to a non-exempt public offer for the purposes of the Prospectus Regulation.]⁸ [These Final Terms will be deposited with SIX Exchange Regulation Ltd. as review body (*Prüfstelle*) in Switzerland and published according to Article 64 [of the Swiss Federal Financial Services Act (**FinSA**)]**[FinSA]** for the purposes of an offer of the N&C Securities to the public in Switzerland on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented] which has been included as a foreign prospectus that is deemed approved according to Article 54(2) FinSA in the list of approved prospectuses according to Article 64(5) FinSA by SIX Exchange Regulation Ltd., deposited with this review body and published according to Article 64 FinSA.]⁹ [This document constitutes the Final Terms of the N&C Securities described herein for the purposes of the Prospectus Regulation.]¹⁰ These Final Terms must be read in conjunction with the Base Prospectus dated 20 September 2023 [and the supplement[s] to it dated [●] [and [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. *[Insert the following additional language into the Successor Final Terms for straddle offers for which two sets of Final Terms will be published: These Final Terms are the Successor Final Terms for the N&C Securities. These Final Terms succeed the Final Terms published on [date].] [A summary of the N&C Securities is annexed to these Final Terms.]* The Base Prospectus has also been published on the website of the Luxembourg Stock Exchange (www.luxse.com).]

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

[These N&C Securities are Finnish N&C Securities.] *(This paragraph need only be included if the Final Terms relate to Finnish N&C Securities)*

[These N&C Securities are Swiss N&C Securities.] *(This paragraph need only be included if the Final Terms relate to Swiss N&C Securities)*

(Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.)

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

- | | | |
|----|-----------------------------|--|
| 1. | Guarantor: | [Not Applicable] [Nomura Holdings, Inc.] [Nomura Securities Co., Ltd.] |
| 2. | Guaranteed N&C Securities: | [Yes/No] |
| 3. | Type of N&C Securities: | [Notes/Certificates] |
| | Qualifying debt securities: | As at the Issue Date, the Securities [will][will not] qualify as "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore |

⁸ Include where applicable.

⁹ Include where the Base Prospectus has been deemed approved according to Article 54(2) FinSA in the list of approved prospectuses according to Article 64(5) FinSA by SIX Exchange Regulation Ltd.

¹⁰ Include where the Final Terms constitute final terms for the purposes of the Prospectus Regulation.

[If the Securities will qualify as "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore, insert:

Where any interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from any N&C Securities which constitute "qualifying debt securities" for Singapore income tax purposes (Relevant Securities) by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore shall not apply if such person acquires the Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act 1947 of Singapore.]]¹¹

4.
 - (i) Series Number: []
 - (ii) Tranche Number: []
 - (iii) Date on which the N&C Securities will be consolidated and form a single Series: [The N&C Securities will be consolidated and form a single Series with [insert title of each relevant tranche of N&C Securities] issued on [insert each relevant issue date] [respectively] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global N&C Security for interests in the Permanent Bearer Global N&C Security, as referred to in paragraph 44 below, which is expected to occur on or about [insert date]]][Not Applicable]
5. Specified Currency or Currencies: [] (In the case of Finnish N&C Securities insert: € or any other currency as may be approved by the then applicable CSD rules)
6. [Aggregate Nominal Amount]/[Number of Units]:
 - (i) Series: []
 - (ii) [Tranche: []]
7. Issue Price: [[] per cent. of the aggregate nominal amount]/[[] [insert currency] per N&C Security] [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]¹²
8.
 - (i) Specified Denominations: []
[]
(N.B. The minimum denomination of each N&C Security must be at least €1,000 (or if the N&C Securities are denominated in a currency other than euro, the equivalent in such currency).)
(N.B. Where multiple denominations above the minimum specified denomination are being used the following sample wording should be followed:

¹¹ The prescribed QDS legend to be included in the Final Terms may be updated from time to time pursuant to any amendments to the Income Tax Act 1947 of Singapore or the subsidiary legislations.

¹² Not applicable in the case of Conditional Interest N&C Securities

- "[€10,000/€100,000/specify other] and integral multiples of [€1,000/specify other] in excess thereof up to and including [€19,000/€199,000/specify other]. No Notes in definitive form will be issued with a denomination above [€19,000/€199,000/specify other].")
- (ii) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
9. (i) Issue Date: []
- (ii) Coupon Commencement Date: [][Issue Date]
- (iii) Coupon Payment Date(s): [[Subject to Credit Linked Condition 11,] [] in each year up to and including the Maturity Date]¹³/[specify other]/[See item 20(i) below (if Floating Rate N&C Securities)]/[See item 22(ii) below (if Reference Item Linked Interest N&C Securities)]/[Not Applicable]
- (NB: This will need to be amended in the case of long or short coupons)*
- (iv) Coupon Calculation Basis: [Per Calculation Amount][Aggregate Nominal Amount][Not Applicable]
- (Only specify "Not Applicable" in respect of Fixed Rate N&C Securities and any other N&C Securities to which the provisions of N&C Securities Condition 6.3.4 do not apply)*
10. Trade Date: []
11. Maturity Date: [Unless the Securities are Trunched Recovery Index Credit Linked N&C Securities, Trunched Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities insert: [For Fixed Rate N&C Securities: [specify date]]/[For Floating Rate N&C Securities insert: The Coupon Payment Date falling on or nearest to [specify month and year]]¹⁴/[For Reference Item Linked N&C Securities: [specify] and in the case of Zero Recovery Single Name Credit Linked N&C Securities, Zero Recovery Basket Credit Linked N&C Securities or Trunched Zero Recovery Credit Linked N&C Securities insert thereafter: (the **Scheduled Maturity Date**) [subject as provided in Credit Linked Condition 5, Credit Linked Condition 6, Credit Linked

¹³ For certain Renminbi denominated Fixed Rate N&C Securities the Coupon Payment Dates are subject to modification and the following words should be added: "provided that if any Coupon Payment Date falls on a day which is not a Business Day, such Coupon 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 Coupon Payment Date shall be brought forward to the immediately preceding Business Day."

¹⁴ For Renminbi denominated Fixed Rate N&C Securities where the Coupon Payment Dates are subject to modification it will be necessary to use this option

Condition 7, Credit Linked Condition 8 and Credit Linked Condition 11]]

[If the Securities are Tranched Recovery Index Credit Linked N&C Securities, Tranched Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities insert:

Subject as provided in Credit Linked Condition 11, the later of:

- (a) the day falling [ten] [*specify*] Business Days following the latest of (i) the day on which the Relevant Final Price has been determined in respect of all Reference Entities for which a Credit Event Determination Date has occurred and (ii) the last occurring Credit Event Determination Date; and
- (b) [*For Fixed Rate N&C Security – [specify date]*] / [*For Floating Rate N&C Security – The Coupon Payment Date falling on or nearest to [specify month and year]¹³*] (the **Scheduled Maturity Date**) subject as provided in [Credit Linked Condition 5, Credit Linked Condition 6, Credit Linked Condition 7 and Credit Linked Condition 8]]

(NB: The Maturity Date may need to be at least one year after the Issue Date. For Reference Item Linked N&C Securities ensure that there is sufficient time between final valuation and maturity)

12. Reference Item Linked N&C Securities:

[Applicable/Not Applicable]

[If the Securities are Reference Item Linked N&C Securities and tax gross-up should apply, insert: Notwithstanding the fact that the N&C Securities are Reference Item Linked Securities, for the purposes of Condition 9 (Taxation) of the Terms and Conditions of the N&C Securities, Condition 9.1.2 applies.]

13. (i) Coupon Basis:

[[] per cent. Fixed Rate]
[[*specify Reference Rate*]] [[] month [EURIBOR]]
[Compounded Daily [SONIA/SOFR/ESTR/SARON]]
+/- [] per cent. Floating Rate]
[Zero Coupon]
[Fixed FX Interest N&C Security]
[Equity Basket Conditional Interest N&C Security]
[Index Basket Conditional Interest N&C Security]
[Multi-Rate Interest N&C Security]
[Range Accrual Interest N&C Security]
[Dual Range Accrual Interest N&C Security]
[Leveraged Inflation Interest N&C Security]
[Swap Rate Linked Interest N&C Security]
[Non-Interest bearing]

- [The N&C Securities are also [Tranching Zero Recovery Index Coupon Credit Linked N&C Securities/Tranching Recovery Index Coupon Credit Linked N&C Securities. Also see item 22 below for specific provisions relating to Reference Item Linked Interest N&C Securities.]
- (further particulars specified below)
- (ii) Payment of interest on early redemption: [Applicable/Not Applicable]
14. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the N&C Securities will be redeemed on the Maturity Date at [●] per cent. of their nominal amount]
- [FX Redemption N&C Security]
- [Fixed Denomination FX Redemption N&C Security]
- [Equity Basket Knock-In N&C Security]
- [Equity Basket Barrier Knock-In N&C Security]
- [Equity Basket Bonus Barrier Knock-In N&C Security]
- [Index Basket Knock-In N&C Security]
- [Index Basket Barrier Knock-In N&C Security]
- [Index Basket Bonus Barrier Knock-In N&C Security]
- [Equity Basket Autocall N&C Security]
- [Index Basket Autocall N&C Security]
- [Credit Linked Redemption N&C Security]
- [Zero Recovery Single Name Credit Linked N&C Security]
- [Zero Recovery Basket Credit Linked N&C Security]
- [Tranching Zero Recovery Credit Linked N&C Security]
- [Tranching Recovery Index Credit Linked N&C Security]
- [Market Recovery Basket Credit Linked N&C Security]
- [Equity Delta One Redemption N&C Security]
- [Reverse Convertible Swap Rate Redemption N&C Security]
- [Geared Put Swap Rate Redemption N&C Security]
- [Auction to Cash Settled Credit Linked N&C Security]
15. Change of Coupon Basis: [Applicable/Not Applicable]
- [Specify details of any provision for change of N&C Securities into another Coupon Basis or cross refer to paragraphs 19, 20 and 22 below if details are included there]
16. Put/Call Options: [Investor Put]
- [Issuer Call]
- [(further particulars specified below)]
- [Not Applicable]

17. Status of the Guarantee: [Senior]/[Not Applicable]
18. Calculation Agent: [Nomura International plc]/[other]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

19. Fixed Rate N&C Securities [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Coupon Payment Date
- (ii) Fixed Coupon Amount(s) applicable to N&C Securities in definitive form: [[] per Calculation Amount/Not Applicable]¹⁵
- (iii) Broken Amount(s) applicable to N&C Securities in definitive form: [[] per Calculation Amount payable on the Coupon 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))
- (iv) Day Count Fraction: [Actual/Actual (ICMA)
Actual/Actual
Actual/Actual (ISDA)
Actual/365 (Fixed)¹⁶
Actual/365 (Sterling)
Actual/360
30/360 (ICMA)
30/360
360/360
Bond Basis
30E/360
Eurobond Basis
30E/360 (ISDA)
1/1
Calculation/252
RBA Bond Basis]
(NB: Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros)
- (v) Determination Date(s): [] in each year
(Only relevant where Day Count Fraction is Actual/Actual(ICMA). In such case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
20. Floating Rate N&C Securities [Applicable/Not Applicable]

¹⁵ For Renminbi denominated Fixed Rate N&C Securities where the Coupon Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005, being rounded upwards"

¹⁶ Applicable to Renminbi denominated Fixed Rate N&C Securities

- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Specified Period(s)/Specified Coupon Payment Dates: [Subject to Credit Linked Condition 11,] [] [, subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
- [If a Business Day Convention applies for Credit Linked N&C Securities insert the following (if Unadjusted Coupon Periods are applicable the Coupon Periods will be unadjusted for Business Day Convention purposes):*
- Unadjusted Coupon Periods: [Applicable]/[Not Applicable]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
- (iii) Manner in which the Rate of Interest and Coupon Amount is to be determined: [Screen Rate Determination/ISDA Determination/Range Accrual]
- (iv) Party responsible for calculating the Rate of Interest and Coupon Amount (if not the Principal Agent): [] (the **Calculation Agent**)
- (v) Screen Rate Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- Reference Rate: [[] month]
- [EURIBOR/ Compounded Daily SONIA / Compounded Daily SOFR / Compounded Daily €STR / Compounded Daily SARON]
- Relevant Financial Centre: [Brussels]
- (include for EURIBOR (Brussels))*
- Observation Method: [Not Applicable/Lag/Shift]
- Observation Look-Back Period: [] / [Not Applicable] [Unless otherwise agreed with the [Principal Agent] / [Calculation Agent], [] [London Business Days] / [U.S. Government Securities Business Days][T2 Business Days][Zurich Business Days] (N.B. must be at least two such relevant days to allow clearing system payments)
- Index Determination: [Applicable/Not Applicable]
- Coupon Determination Date(s): [Insert for EURIBOR: Second T2 Business Day prior to the start of each Coupon Period]
- [Insert for SONIA–non Index Determination: Second London Business Day prior to the day on which the*

relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period))

*[Insert for SONIA – Index Determination: The day falling the Relevant Number of London Business Days prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period) and **Relevant Number** means [insert number being two or greater]]*

[Insert for SOFR–non Index Determination: Second U.S. Government Securities Business Day prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period))]

*[Insert for SOFR – Index Determination: The day falling the Relevant Number of U.S. Government Securities Business Days prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period) and **Relevant Number** means [insert number being two or greater]]*

[Insert for €STR: Second T2 Business Day prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period))]

[Insert for SARON–non Index Determination: Second Zurich Business Day prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period))]

*[Insert for SARON – Index Determination: The day falling the Relevant Number of Zurich Business Days prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period) and **Relevant Number** means [insert number being two or greater]]*

Relevant Screen Page:

[]

(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

Rate Multiplier

[[●] per cent.][Not Applicable]

Rate Cut-off Time:

[●]([name of city] time)

(vi) ISDA Determination:

[Applicable/Not Applicable]

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

ISDA Definitions:

[2006 ISDA Definitions/2021 ISDA Definitions]

(Where the 2021 ISDA Definitions are Applicable, note that the Conditions have been reviewed in relation to Version 9.0 dated 28 July 2023. If a later version is to be followed, the Conditions should be

reviewed carefully to ensure compatibility with the relevant ISDA Rate before use))

Floating Rate Option: []
(Where the 2021 ISDA Definitions are Applicable, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))

Effective Date: [Issue Date of the first Tranche of the N&C Securities]/[●]

Termination Date: [Maturity Date of the N&C Securities]/[●][without regard to any Business Day Convention applicable thereto]

Designated Maturity: [][Not Applicable]

Reset Date: [] *(Note: this election is relevant for the Fixing Day under the 2021 ISDA Definitions which is when the rate is determined e.g. for USD-SOFR ICE Swap Rate, the Fixing Day is “two publication calendar days preceding the Reset Date”)*
(In the case of an EURIBOR based option, the first day of the Coupon Period

ISDA Day Count Fraction: [●]

[Business Day (for the purposes of the ISDA Definitions): []] *(Specify financial center(s) if you wish Business Days for the purposes of the determination of the ISDA Rate to be different from the Business Days defined in the Conditions)*

Compounding/Averaging/Index: [Applicable/Not Applicable]
(Specify as Applicable if the Calculated Rate Style is identified as "Averaging Floating Rate Option", "Compounded Floating Rate Option" or "Compounded Index" in the Floating Rate Matrix)
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

Overnight Rate Compounding Method: [Applicable/ Not Applicable]
[OIS Compounding]
[Compounding with Lookback]
[Lookback: [●] Applicable Business Days]
[Compounding with Observation Period Shift]
[Observation Period Shift: [●] Observation Period Shift Business Days]
[Observation Period Shift Additional Business Days: [●]]
Set-in-Advance: [Applicable/Not Applicable]
[Compounding with Lockout]

			[Lockout: [●] Lockout Period Business Days]
			[Lockout Period Business Days: [●]]
Overnight Method:	Rate	Averaging	[Applicable/Not Applicable]
			[Overnight Averaging/Averaging with Lookback/Averaging with Observation Period Shift/Averaging with Lockout]
			[Lookback: [] Applicable Business Days]
			[Observation Period Shift: [] Observation Period Shift Business Days]
			[Observation Period Shift Additional Business Days: [...]]
			[Set-in-Advance:] [Applicable] [Not Applicable]]
			[Lockout: [] Lockout Period Business Days]
			[Lockout Period Business Days: []]
Daily Capped Rate and/or Floored Rate:		Daily	[Applicable/Not Applicable]
			<i>(If not applicable, delete the Daily Capped Rate and Daily Floored Rate prompts immediately below)</i>
			[Daily Capped Rate:] [[] %]
			[Daily Floored Rate:] [[] %]
Index provisions:			[Applicable/Not Applicable]
			<i>(If not applicable, delete the Index Method prompt immediately below)</i>
Index Method:			[Standard Index Method/All-In Compounded Index Method/ Compounded Index Method/ Compounded Index Method with Observation Period Shift][As specified in the 2021 ISDA Definitions]
			[Set-in-Advance: [Applicable] [Not Applicable]
			[Observation Period Shift: [] Observation Period Shift Business Days]
			[Observation Period Shift Additional Business Days: []]
(vii)	Linear Interpolation:		[Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Coupon Period shall be calculated using Linear Interpolation (<i>specify for each short or long coupon period</i>)]
(viii)	Margin(s):		[+/-] [] per cent. per annum
(ix)	Minimum Rate of Interest:		[[] per cent. per annum]/[Not Applicable]
			<i>(Specify per Coupon Period, if the Minimum Rate of Interest varies between Coupon Periods)</i>
(x)	Maximum Rate of Interest:		[[] per cent. per annum]/[Not Applicable]

		(Specify per Coupon Period, if the Maximum Rate of Interest varies between Coupon Periods)
(xi)	Day Count Fraction:	[Actual/Actual (ICMA) Actual/Actual Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 (ICMA) 30/360 360/360 Bond Basis 30E/360 Eurobond Basis 30E/360 (ISDA) 1/1 Calculation/252 RBA Bond Basis] (NB: Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros)
(xii)	Determination Date(s)	[[] in each year [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration)]] [Not applicable] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
(xiii)	Additional Business Centre(s):	[]/[Not Applicable]
21.	Zero Coupon N&C Securities	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Accrual Yield:	[] per cent. per annum
(ii)	Reference Price:	[]
(iii)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
22.	Reference Item Linked Interest N&C Securities	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Type of Reference Item Linked Interest N&C Securities:	[Fixed FX Interest N&C Securities]/[Equity Basket Conditional Interest N&C Securities]/[Index Basket Conditional Interest N&C Securities]/[Multi-Rate Interest N&C Securities]/[Range Accrual Interest N&C Securities]/[Dual Range Accrual Interest N&C Securities]/[Leveraged Inflation Interest N&C Securities]/[Swap Rate Linked Interest N&C Securities]

Securities]/[Tranch Zero Recovery Index Coupon
Credit Linked N&C Securities]/[Tranch Recovery
Index Coupon Credit Linked N&C Securities]

[If applicable:

The provisions of Condition
22.1.[1]/[2]/[3]/[4]/[5]/[6]/[7]/[8]/[9]/[10] [and Annex
[1]/[2]/[3]/[6]/[15] of the Terms and Conditions
(Additional Terms and Conditions for [insert
applicable reference item] Linked Securities)] shall
apply. Also see item
[31]/[32]/[33]/[34]/[35]/[36]/[37]/[38]/[39] below for
specific provisions relating to [insert applicable
reference item] Linked Securities.](Complete as
applicable for relevant reference item)

(ii) Specified Period(s)/Specified
Coupon Payment Dates:

[Subject to Credit Linked Condition 11,[] [,
subject to adjustment in accordance with the Business
Day Convention set out in (iv) below/, not subject to
any adjustment, as the Business Day Convention in
(iv) below is specified to be Not Applicable]

*[If a Business Day Convention applies Tranch Zero
Recovery Index Coupon Credit Linked N&C
Securities or Tranch Recovery Index Coupon Credit
Linked N&C Securities insert the following (if
Unadjusted Coupon Periods are applicable the
Coupon Periods will be unadjusted for Business Day
Convention purposes):*

Unadjusted Coupon Periods: [Applicable]/[Not
Applicable]]

*(NB: Ensure that interest accrual, valuation of
relevant reference item and interest payment are tied
in and that, as required, a postponement provision is
included for payment to allow sufficient time between
valuation and payment in the event valuation is
postponed for a disruption)*

(iii) Coupon Accrual Dates:

[Coupon Payment Dates] [specify] / [Not Applicable]

(iv) Business Day Convention:

[Floating Rate Convention/Following Business Day
Convention/Modified Following Business Day
Convention/Preceding Business Day
Convention]/[Not Applicable]

(v) Additional Business Centre(s):

[]/[Not Applicable]

(vi) Minimum Rate of Interest:

[[] per cent. per annum]/[Not Applicable]

*(Specify per Coupon Period, if the Minimum Rate of
Interest varies between Coupon Periods)*

(vii) Maximum Rate of Interest:

[[] per cent. per annum]/[Not Applicable]

*(Specify per Coupon Period, if the Maximum Rate of
Interest varies between Coupon Periods)*

(viii) Day Count Fraction:

[Actual/Actual (ICMA)
Actual/Actual]

Actual/Actual (ISDA)

Actual/365 (Fixed)

Actual/365 (Sterling)

Actual/360

30/360 (ICMA)

30/360

360/360

Bond Basis

30E/360

Eurobond Basis

30E/360 (ISDA)

1/1

Calculation/252

RBA Bond Basis]/

[Not Applicable]

(NB: Actual/Actual (ICMA) is normally only appropriate for Fixed Rate N&C Securities denominated in euros)

23. Sanctions Event: [Applicable/Not Applicable]

24. Payment Suspension: [Applicable/Not Applicable]

PROVISIONS RELATING TO REDEMPTION

25. Issuer Call: [Applicable/Not Applicable]

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

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

(ii) Optional Redemption Amount(s) of each N&C Security: [] per Calculation Amount

(N.B. if the Optional Redemption Amount is other than a specified amount per Calculation Amount, the N&C Securities will need to be Exempt Securities)

(iii) If redeemable in part:

(a) Minimum Redemption Amount: []

(b) Maximum Redemption Amount: []

(iv) Notice periods for Issuer Call:

(a) Maximum period: [●] days

(b) Minimum period: [●] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Principal Agent)

26. Notice periods for tax redemption under Condition 8.2:

- (i) Maximum period: [●] days
- (ii) Minimum period: [●] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Principal Agent)

27. Issuer Regulatory Call/Illegality Redemption/Inconvertibility Event adjustment or redemption:

- (i) Issuer Regulatory Call under Condition 8.5: [Applicable/Not Applicable]

[If "Applicable", insert: Notice period required for an Issuer Regulatory Call:

(N.B. In accordance with N&C Securities Condition 8.5, Issuer Regulatory Call will apply automatically unless specified as "Not Applicable")

- (a) Maximum period: [See Condition 8.5][[●] days]
- (b) Minimum period: [See Condition 8.5][[●] days]]

(N.B. A number of days need only be specified in respect of the maximum and minimum notice period if this differs from the default number of days specified in Condition 8.5. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Principal Agent)

- (ii) Illegality Redemption under Condition 8.6: [Applicable/Not Applicable]

[If "Applicable", insert: Notice period required for an Illegality Redemption:

(N.B. In accordance with N&C Securities Condition 8.6, Illegality Redemption will apply automatically unless specified as "Not Applicable")

- (a) Maximum period: [See Condition 8.6][[●] days]
- (b) Minimum period: [See Condition 8.6][[●] days]]

(N.B. A number of days need only be specified in respect of the maximum and minimum notice period if this differs from the default number of days specified in Condition 8.6. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice

for a call) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Principal Agent)

- (iii) Inconvertibility Event under Condition 8.13. [Applicable/Not Applicable]
28. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each N&C Security: [] per Calculation Amount
(N.B. if the Optional Redemption Amount is other than a specified amount per Calculation Amount, the N&C Securities will need to be Exempt Securities)
- (iii) Notice periods for Investor Put:
- (a) Maximum period: [●] days
- (b) Minimum period: [●] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and the Principal Agent)
29. Final Redemption Amount of each N&C Security: [[] per Calculation Amount]/[See provisions in paragraph [31][32][33][34][40][41] below"]
(For Non Exempt Redemption N&C Securities cross refer to paragraphs 31 – 34 or 40 or 41 (in each case as applicable) and complete the relevant sections in those paragraphs below)
30. Early Redemption Amount(s): [As per Condition 8.7]/[[] per Calculation Amount]
(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

PROVISIONS RELATING TO REFERENCE ITEM LINKED SECURITIES

31. Index Linked N&C Securities: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Type of Index Linked N&C Securities: [Index Basket Conditional Interest N&C Securities]/[Index Basket Knock-In N&C Securities]/[Index Basket Barrier Knock-In N&C Securities]/[Index Basket Bonus Barrier Knock-In N&C Securities]/[Index Basket Autocall N&C Securities]
- The provisions of Condition 22.1.3]/[2.5]/[6]/[7]/[9]] and Annex 1 (*Additional Terms and Conditions for Index Linked Securities*) of the Terms and Conditions shall apply.
- (ii) [Index]/[Index Basket]: [*Insert the name of each Index and, if relevant, insert weightings of each Index in the Index Basket*]
- [The [] Index is a multi-exchange Index]
- (N.B. the index or indices specified may not be a proprietary index)
- Index Sponsor[s]: []
- (iii) Index Currency(ies): [] (*Specify Index Currency for each Index*)
- (iv) Final Redemption Amount: [*For Index Basket Conditional Interest N&C Securities and Index Basket Autocall N&C Securities insert: [] per Calculation Amount*]
- [*For Index Basket Knock-In N&C Securities, Index Basket Barrier Knock-In N&C Securities and Index Basket Bonus Barrier Knock-In N&C Securities insert: The provisions of Condition 22.2.5]/[6]/[7] (delete as applicable) apply*]
- (v) Exchange(s): []
- (vi) Related Exchange: []/[All Exchanges]/[Hedging Exchanges]
- (vii) Scheduled Trading Day: [Single Index Basis]
- [All Indices Basis]
- [Per Index Basis]
- (viii) Exchange Business Day: [Single Index Basis]
- [All Indices Basis]
- [Per Index Basis]
- (N.B. needs to follow Scheduled Trading Day selection)
- (ix) Valuation Date(s): [] (*Include Initial Valuation Date and Final Valuation Date for Index Basket Knock-In N&C Securities, Index Basket Barrier Knock-In N&C Securities and Index Basket Bonus Barrier Knock-In N&C Securities and Initial Valuation Date and Observation Dates for Index Basket Conditional Interest N&C Securities and Index Basket Autocall N&C Securities*)
- (x) Valuation Time []

- (xi) Disruption Cut-Off Date: The date [] Scheduled Trading Days [after the Valuation Date/prior to the next succeeding day on which payment is to be made under the N&C Securities], all as more fully set out in the Index Linked Conditions.
- (xii) Additional Disruption Events: The following Additional Disruption Events apply to the N&C Securities:
[Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]
- (xiii) Provisions for Index Basket Conditional Interest N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Base Rate of Interest: [] per cent. per annum
- (b) Conditional Coupon Barrier Level: [] *(Specify per Observation Date)*
- (c) Floor Rate of Interest: []
- (d) Observation Date(s): []
- (xiv) Provisions for Index Basket Knock-In N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Knock-In Percentage: []
- (b) Initial Valuation Date: []
- (c) Final Valuation Date: []
- (xv) Provisions for Index Basket Barrier Knock-In N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Barrier Level: []
- (b) Knock-In Percentage: []
- (c) Initial Valuation Date: []
- (d) Final Valuation Date: []
- (xvi) Provisions for Index Basket Bonus Barrier Knock-In N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Barrier Level: []
- (b) Knock-In Percentage: []
- (c) Knock-In Level: []
- (d) Participation Rate: []
- (e) Initial Valuation Date: []
- (f) Final Valuation Date: []

- (xvii) Provisions for Index Basket Autocall N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Observation Date(s): []
- (b) Autocall Level: [] (Specify per Observation Date)
- (c) Autocall Rate: [] (Specify per Observation Date)
- (d) Fixed Autocall N&C Security: [Yes]/[No]
- (e) Uplift Autocall N&C Security: [Yes]/[No]
(NB. The N&C Securities must be one or the other of (d) or (e) and cannot be both)
- (f) Number of Autocall Business Days: []
32. Equity Linked N&C Securities: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Type of Equity Linked N&C Securities: [Equity Basket Conditional Interest N&C Securities]/[Equity Basket Knock-In N&C Securities]/[Equity Basket Barrier Knock-In N&C Securities]/[Equity Basket Bonus Barrier Knock-In N&C Securities]/[Equity Basket Autocall N&C Securities]/[Equity Delta One Redemption N&C Securities]
The provisions of Condition 22.[1.2]/[2.2]/[3]/[4]/[8]/[11]] and Annex 2 of the Terms and Conditions – (Additional Terms and Conditions for Equity Linked Securities) shall apply.
- (ii) [Share]/[Share Basket]: []
(Insert description of the relevant share(s), in each case including the name of the relevant share issuer and the relevant ISIN or other such security identification code)
- (iii) Equity Currency(ies): [] (Specify Equity Currency for each Share)
- (iv) Final Redemption Amount: [For Equity Basket Conditional Interest N&C Securities and Equity Basket Autocall N&C Securities insert: [] per Calculation Amount]
[For Equity Basket Knock-In N&C Securities, Equity Basket Barrier Knock-In N&C Securities, Equity Basket Bonus Barrier Knock-In N&C Securities and Equity Delta One Redemption N&C Securities insert: The provisions of Condition 22.2.[2]/[3]/[4]/[11](delete as applicable) apply]
- (v) Scheduled Trading Day: [Single Share Basis]
[All Share Basis]

- (vi) Exchange(s): [Per Share Basis]
[]
- (vii) Related Exchange: []/[All Exchanges]/[Hedging Exchanges]
- (viii) Exchange Business Day: [Single Share Basis]
[All Share Basis]
[Per Share Basis]
(N.B. needs to follow Scheduled Trading Day selection)
- (ix) Valuation Date(s): [] *[For Equity Delta One Redemption N&C Securities, insert: (the **Final Valuation Date**) (Include Initial Valuation Date and Final Valuation Date for Equity Basket Knock-In N&C Securities, Equity Basket Barrier Knock-In N&C Securities and Equity Basket Bonus Barrier Knock-In N&C Securities, Initial Valuation Date and Observation Dates for Equity Basket Conditional Interest N&C Securities and Equity Basket Autocall N&C Securities; and Final Valuation Date for Equity Delta One Redemption N&C Securities)]*
- (x) Valuation Time: [Equity Linked Condition 6 applies]/[]
- (xi) Disruption Cut-Off Date: [The date [] Scheduled Trading days [after the Valuation Date/prior to the next succeeding day on which payment is to be made under the N&C Securities, all as more fully set out in the Equity Linked Conditions.]]
- (xii) Options Exchange Adjustment: [Applicable/Not Applicable]
- (xiii) [Share Substitution: [Applicable/Not Applicable]]
- (xiv) Additional Disruption Events: The following Additional Disruption Events apply to the N&C Securities:
[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: []]
- (xv) Provisions for Equity Basket Conditional Interest N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Base Rate of Interest: [] per cent. per annum
- (b) Conditional Coupon Barrier Level: [] *(Specify per Observation Date)*

- (c) Floor Rate of Interest: []
- (d) Observation Date(s): []
- (xvi) Provisions for Equity Basket Knock-In N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Knock-In Percentage: []
- (b) Initial Valuation Date: []
- (c) Final Valuation Date: []
- (xvii) Provisions for Equity Basket Barrier Knock-In N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Barrier Level: []
- (b) Knock-In Percentage: []
- (c) Initial Valuation Date: []
- (d) Final Valuation Date: []
- (xviii) Provisions for Equity Basket Bonus Barrier Knock-In N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Barrier Level: []
- (b) Knock-In Percentage: []
- (c) Knock-In Level: []
- (d) Participation Rate: []
- (e) Initial Valuation Date: []
- (f) Final Valuation Date: []
- (xix) Provisions for Equity Basket Autocall N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Observation Date(s): []
- (b) Autocall Level: [] (Specify per Observation Date)
- (c) Autocall Rate: [] (Specify per Observation Date)
- (d) Fixed Autocall N&C Security: [Yes]/[No]
- (e) Uplift Autocall N&C Security: [Yes]/[No]
(NB. The N&C Securities must be one or the other of (d) or (e) and cannot be both)
- (f) Number of Autocall Business Days: []
33. FX Linked N&C Securities: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Type of FX Linked N&C Securities: [Fixed FX Interest N&C Securities]/[FX Redemption N&C Securities]/[Fixed Denomination FX Redemption N&C Securities]
- The provisions of Condition 22.[1.1]/[2.1]/[2.12] and Annex 3 of the Terms and Conditions (*Additional Terms and Conditions for FX Linked Securities*) shall apply.
- (ii) Settlement Currency: []
- (iii) Currency Pair(s): [Not Applicable] [Insert if one Currency Pair: []]
/ [] [Insert if more than one Currency Pair:
[Currency Pair [1]/[2]/[3]/[●] etc.: [Insert Currency Pairs in form of [insert first currency]/[insert second currency]] (repeat for each Currency Pair)
- (NB. Currency Pairs will be applicable for Fixed FX Interest N&C Securities for which the Reference Exchange Rate is to be implied from more than one Settlement Rate Option and for all FX Redemption N&C Securities.)
- (iv) Specified Financial Centre: []
- (v) Final Redemption Amount: [For Fixed FX Interest N&C Securities insert: []
per Calculation Amount]
- [For FX Redemption N&C Securities insert: The provisions of Condition 22.2.1 apply.]
- [For Fixed Denomination FX Redemption N&C Securities insert: The provisions of Condition 22.2.12 apply.]
- (vi) Price Materiality Percentage: []
- (vii) Primary Rate: []
- (viii) Secondary Rate: []
- (ix) Valuation Date(s): []
- (x) Valuation Time: []
- (xi) Disruption Event: The following Disruption Events apply to the N&C Securities:
- [Change in Law]
- [Dual Exchange Rate]
- [General Inconvertibility]
- [General Non-Transferability]
- [Hedging Disruption Event]
- [Illiquidity]
- [Material Change in Circumstance]
- [Nationalisation]
- [Price Materiality]
- [Price Source Disruption]

- (xii) Consequence of a Disruption Event: The following fallback provisions apply to the N&C Securities:
[Calculation Agent Determination of Settlement Rate]
[Fallback Reference Price]
[Settlement Postponement]
[Termination]
- (xiii) Maximum Days of Disruption: []
- (xiv) Provisions for FX Redemption N&C Securities: [Applicable/Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Provisions relating to Currency Pair(s):
[[Insert (as appropriate) if more than one Currency Pair: Currency Pair [1]/[2]/[3]/[●] etc.:]
- (I) First Relevant Currency: []
- (II) Second Relevant Currency: []
- (III) Alternate Currency Pair: [Not Applicable] [[[]/[]]]
FX Price Source for the Alternate Currency Pair: []
(Repeat in respect of each Alternate Currency Pair)
(NB. Alternate Currency Pairs will be applicable where the Reference Exchange Rate is to be implied from more than one Settlement Rate Option)
- (IV) FX Price Source: []
- (V) Strike Rate: []
- (VI) w: []
(Repeat prompts (I) to (VI) in respect of each Currency Pair)
- (b) General provisions:
- (I) Leverage: [] per cent.
- (II) Floor: [] per cent.
- (III) Exchange Rate: [The Exchange Rate for conversion of any amount into the relevant settlement currency for the purposes of determining the Final Redemption Amount is [].] [See Condition 22.2.1]
- (IV) X: [Strike Rate/Settlement Rate]
- (V) Y: [Strike Rate/Settlement Rate]
- (VI) Z: [Strike Rate/Settlement Rate/1]
(NB. "Z" can only be "1" where there is only one Currency Pair specified)

- (xv) Provisions for Fixed FX Interest N&C Securities: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Type of Currency Fixed Rate N&C Security: [Currency 1 Fixed Rate N&C Security]/[Currency 2 Fixed Rate N&C Security]
- (b) Base Rate of Interest: [] per cent. per annum
- (c) FX Price Source(s): Specified Currency/[Settlement Currency]: []
[Insert as required for each Currency Pair:
[insert Currency Pair]: []]
- (xvi) Provisions for Fixed Denomination FX Redemption N&C Securities [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Base Final Redemption Amount: [.....] per [nominal amount][unit] of N&C Securities equal to the Calculation Amount (*NB. Specify as an amount in the Specified Currency*)
- (b) FX Price Source: Specified Currency/Settlement Currency []
34. Credit Linked N&C Securities: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- The provisions of [Condition [22.2.10][22.2.15][22.2.16][22.2.17][22.2.18][22.1.9][22.1.10] and [Annex 7 – Additional Terms and Conditions for Credit Linked Securities (2003 ISDA Credit Derivatives Definitions Version)][Annex 15 of the Terms and Conditions – Additional Terms and Conditions for Credit Linked Securities (2014 ISDA Credit Derivatives Definitions Version)] shall apply. (*N.b. Conditions 22.1.9, 22.1.10, 22.2.16 and 22.2.17 and 22.2.18 may only be applicable where Annex 15 applies*)
- (i) Final Redemption Amount: [[] per Calculation Amount/See Condition [22.2.10/22.2.16/22.2.17/[22.2.18]]
- [If the Securities are Trunched Zero Recovery Credit Linked N&C Securities or Trunched Recovery Index Credit Linked N&C Securities insert and complete the following:*
- Tranche Attachment Level: [] per cent.
- Tranche Detachment Level: [] per cent.
- Tranche Width: [] per cent. (*N.b. this is equal to the Tranche Detachment Level minus the Tranche Attachment Level*)
- [If the Securities are Trunched Recovery Index Credit Linked N&C Securities insert and complete the following:*

- Incurred Recovery: [Applicable/Not Applicable]]
- (ii) Settlement Method: [Auction Settlement/Not Applicable [(See Condition [22.1.9][22.1.10][22.2.10][22.2.15][22.2.16][22.2.17][22.2.18])]]
- (N.b. if the Securities are Zero Recovery Basket Credit Linked N&C Securities, Zero Recovery Single Name Credit Linked N&C Securities, Tranching Zero Recovery Credit Linked N&C Securities or Tranching Zero Recovery Index Coupon Credit Linked N&C Securities specify "Not Applicable". Include the appropriate cross reference to Condition 22.1.9, 22.1.10, 22.2.10, 22.2.15, 22.2.16, 22.2.17 or 22.2.18 as applicable)*
- [If the Securities are Market Recovery Basket Credit Linked N&C Securities insert and complete the following:*
- American Recovery Amount Settlement: [Applicable/Not Applicable]
- If American Recovery Amount Settlement applies, insert:*
- Interim Recovery Amount Payment Date: [[●] Business Days] / [Credit Linked Condition 13 applies]]]
- European Recovery Amount Settlement: [Applicable/Not Applicable]]
- (iii) Interest Calculation: Interest Calculation Amount: [Applicable/Not Applicable]
- [Applicable only for Tranching Zero Recovery Index Coupon Credit Linked N&C Securities or Tranching Recovery Index Coupon Credit Linked N&C Securities, in which case insert and complete the following:*
- Tranche Attachment Level: [] per cent.
- Tranche Detachment Level: [] per cent.]
- [If the Securities are Zero Recovery Basket Credit Linked N&C Securities, Tranching Zero Recovery Credit Linked N&C Securities, Tranching Recovery Index Credit linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities insert and complete the following:*
- Coupon Outstanding Nominal Amount: [No Accrued/With Accrued]]
- (iv) Suspension of Interest Accrual: [Applicable in Full]/[Applicable to the Suspension Period Reduction Amount Only]]
- (v) Calculation Agent City: [London]/[]
- (vi) Reference Entity[ies][and relevant Weighting Percentages]: [] [Specify. If applicable set out in a Table which may be annexed to these Final Terms and for this item and subsequent items in this paragraph 34 where

relevant state: "See the Table annexed to these Final Terms"]

[If the Securities are Tranching Zero Recovery Credit Linked N&C Securities, Tranching Recovery Index Credit Linked N&C Securities, Zero Recovery Basket Credit Linked N&C Securities linked to an index, Tranching Zero Recovery Index Coupon Credit Linked N&C Securities, Tranching Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities linked to an index insert and complete as applicable:

The Reference Entities comprising the following [Index/Indices] as at the Trade Date

Index means, []

[Index Weighting] means, [] (N.b. only applicable for Zero Recovery Basket Credit Linked N&C Securities and Market Recovery Basket Credit Linked N&C Securities in each case linked to more than one Index)

Index Publisher means, []

Index Sponsor means, []

Annex Date means []

(N.b. repeat as necessary for each relevant Index)

(vii) Reference Obligations:

[Standard Reference Obligation: [Applicable] [Not Applicable]]

[If Standard Reference Obligation is specified as "Applicable" and "Additional Provisions for Senior Non-Preferred Reference Obligations" is not applicable, insert and complete as applicable: Seniority Level: [Senior Level][Subordinated Level]]

[If the Securities are Tranching Zero Recovery Credit Linked N&C Securities, Tranching Recovery Index Credit Linked N&C Securities, Zero Recovery Basket Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities insert:

Standard Reference Obligation: Applicable if specified in the [Index/Table] for a Reference Entity only

[Seniority Level: As specified in the [Index/Table] for a Reference Entity]

[If the Securities are Tranching Zero Recovery Index Coupon Credit Linked N&C Securities or Tranching Recovery Index Coupon Credit Linked N&C Securities insert:

Standard Reference Obligation: Applicable if specified in the Index for a Reference Entity only

[Seniority Level: As specified in the Index for a Reference Entity]]

(N.b. "Seniority Level" should not be included if the "Additional Provisions for Senior Non-Preferred Reference Obligations" are applicable to all Reference Entities. If the "Additional Provisions for Senior Non-Preferred Reference Obligations" are applicable to some only of the Reference Entities, in the Table this should be specified as "As set out in the Credit Linked Conditions" for those Reference Entities)]

(N.b. "Standard Reference Obligation" should not be elected if Annex 7 applies)

[If the Securities are Tranched Zero Recovery Credit Linked N&C Securities, Tranched Recovery Index Credit Linked N&C Securities, Zero Recovery Basket Credit Linked N&C Securities linked to an index, or Market Recovery Basket Credit Linked N&C Securities linked to an index, Tranched Zero Recovery Index Coupon Credit Linked N&C Securities or Tranched Recovery Index Coupon Credit Linked N&C Securities insert:

Reference Obligation: The Reference Obligation, if any, set out opposite the relevant Reference Entity in the Index Annex]

	[The obligations identified as follows:	[]
	Primary Obligor:	[]
	Guarantor:	[]
	Maturity:	[]
	Coupon:	[]
	CUSIP/ISIN:	[]]
(viii)	All Guarantees:	[Applicable/Not Applicable/See Physical Settlement Matrix]
		<i>[Insert and complete if Annex 7 applies: Provisions relating to Qualifying Guarantee and Underlying Obligation: [Applicable/Not Applicable]]</i>
(ix)	Credit Events:	[See Physical Settlement Matrix]
		[Bankruptcy]
		[Failure to Pay]
		[Grace Period Extension: [Applicable/Not Applicable/See Physical Settlement Matrix]
		<i>[If Applicable insert:</i>
		Grace Period: []]
		[Obligation Default]

		[Obligation Acceleration]
		[Repudiation/Moratorium]
		[Restructuring]
		Provisions relating to Restructuring Credit Event: Credit Linked Condition 14 [Applicable/Not Applicable]
		Provisions relating to Multiple Holder Obligation: Credit Linked Condition 15 [Applicable/Not Applicable]
		<i>[Insert and complete if Annex 7 applies: Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable/Not Applicable]]</i>
		<i>[Insert and complete if Annex 7 applies: Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable/Not Applicable]]</i>
		<i>[Insert and complete if Annex 15 applies: Mod R [Applicable/Not Applicable]]</i>
		<i>[Insert and complete if Annex 15 applies: Mod Mod R [Applicable/Not Applicable]]</i>
		[Governmental Intervention]
	Default Requirement:	[]
	Payment Requirement:	[]
(x)	Credit Event Cut-Off Date:	[]/[See Credit Linked Condition 13]
	Credit Event Backstop Date Amendment:	[Applicable/Not Applicable]
(xi)	Notice of Publicly Available Information:	[Applicable/Not Applicable]
		<i>[If Applicable insert:</i>
	Public Source(s):	[As defined in Credit Linked Condition 13]/[specify other]
	Specified Number:	[2]/[specify other]]
(xii)	Obligation(s):	
	Obligation Category:	[See Physical Settlement Matrix]
	(select one only)	[Payment]
		[Borrowed Money]
		[Reference Obligation Only]
		[Bond]
		[Loan]
		[Bond or Loan]
	Obligation Characteristics:	[See Physical Settlement Matrix]

(select all of which apply)		[Not Subordinated]
		[Credit Linked Specified Currency: [specify currency] [Standard Specified Currencies]]
		[Not Sovereign Lender]
		[Not Domestic Currency]
		[Domestic Currency means: [specify currency]]
		[Not Domestic Law]
		[Listed]
		[Not Domestic Issuance]
	Additional Obligation(s)	[None]/[specify other]
(xiii)	Excluded Obligation(s):	[None]/[specify other]
(xiv)	Accrual of Interest upon Credit Event:	[Applicable/Not Applicable] [Relevant date for payment of interest for purposes of Condition 6.5: [specify]] (Include if Accrual of Interest upon Credit Event is Applicable and if the intended date for payment of interest for Condition 6.5 is not the Credit Event Redemption Date) (N.b. If Condition 22.1.9, 22.2.10, 22.2.15 or 22.2.16 applies, this item (xiv) and item (xxviii) below should be specified as "Not Applicable" and if Condition 22.1.10, 22.2.17 or 22.2.18 applies, this item (xiv) should be specified as "Not Applicable")
(xv)	Merger Event:	Credit Linked Condition 12 [Applicable/Not Applicable] [If Applicable insert: [Merger Event Redemption Amount:[]/[Fair Market Value]] (N.b. Fair Market Value applies a fair market value less Associated Costs formulation under the Credit Linked Conditions) Merger Event Redemption Date:[]]
(xvi)	Unwind Costs:	[Standard Associated Costs/other/Not Applicable]
(xvii)	Provisions relating to Monoline Insurer as Reference Entity:	Credit Linked Condition 16 [Applicable/Not Applicable/See Physical Settlement Matrix]
(xviii)	Provisions relating to LPN Reference Entities:	Credit Linked Condition 18 [Applicable/Not Applicable/See Physical Settlement Matrix]
(xix)	Credit Event Redemption Amount:	[[] per Calculation Amount]/[Credit Linked Condition 13 applies]/[Not Applicable [(see Condition [22.2.10][22.2.15][22.2.16][22.2.17][22.2.18])]] (N.B. Credit Event Redemption Amount above is only applicable where the Auction Settlement and/or Cash Settlement may apply for single name Credit Linked N&C Securities. Other terms relating to valuation below will be relevant to consider in any

circumstances where a Final Price is required to be calculated)

/

(xx) Credit Event Redemption Date: [American Settlement.][Subject to Credit Linked Condition 11 (Settlement Suspension), [●] Business Days following the latest of (i) the Auction Settlement Date or the date on which the Final Price is determined (if Cash Settlement applies or is applicable as the Fallback Settlement Method) and (ii) the Credit Event Determination Date.]

/

[European Settlement.][Subject to Credit Linked Condition 11 (Settlement Suspension), the later of (i) [●] Business Days following the latest of (a) the Auction Settlement Date or the date on which the Final Price is determined (if Cash Settlement applies or is applicable as the Fallback Settlement Method) and (b) the Credit Event Determination Date; and (ii) the Scheduled Maturity Date.]

/

[Not Applicable]

/

[●] Business Days/Credit Linked Condition 13 applies] *(N.B. Include for Zero Recovery Single Name Credit Linked N&C Securities)*

(N.B. Credit Event Redemption Date above is only applicable (a) where the Auction Settlement and/or Cash Settlement may apply for single name Credit Linked N&C Securities or (b) for Zero Recovery Single Name Credit Linked N&C Securities. Other terms relating to valuation below will be relevant to consider in any circumstances where a Final Price is required to be calculated)

(xxi) Valuation Date: [Applicable/Not Applicable]

[Single Valuation Date:

[] Business Days]

[Multiple Valuation Dates:

[] Business Days; and each [] Business Day thereafter

Number of Valuation Dates: []]

(xxii) Valuation Time: [11 a.m. [London time]]/[Credit Linked Condition 13 applies]/[]/[Not Applicable]

(xxiii) Indicative Quotations: [Applicable/Not Applicable]

(xxiv) Quotation Method: [Bid/Offer/Mid-market]/[Not Applicable]

(xxv) Quotation Amount: [[]/Representative Amount]/[Not Applicable]

- (xxvi) Minimum Quotation Amount: []/[Not Applicable]
- (xxvii) Quotation Dealers: []/[Not Applicable]/[Credit Linked Condition 13 applies]
- (xxviii) Accrued Interest: [Include Accrued Interest/Exclude Accrued Interest/Not Applicable][Credit Linked Condition 13 applies]
- (N.b. "Not Applicable" should be specified for Tranchd Zero Recovery Index Coupon Credit Linked N&C Securities, Zero Recovery Basket Credit Linked N&C Securities, Zero Recovery Single Name Credit Linked N&C Securities and Tranchd Zero Recovery Credit Linked N&C Securities and "Credit Linked Condition 13 applies" should be specified for Tranchd Recovery Index Coupon Credit Linked N&C Securities, Tranchd Recovery Index Credit Linked N&C Securities, Market Recovery Basket Credit Linked N&C Securities, and (except as above) single name Credit Linked N&C Securities)*
- (xxix) Valuation Method: [Market/Highest/Weighted Highest]
- [Average Market/Highest/Average Highest]
- [Blended Market/Blended Highest]
- [Average Blended Market/Average Blended Highest]
- [Not Applicable]
- (N.B. Blended Market, Blended Highest, Average Blended Market and Average Blended Highest should not be elected if Annex 15 applies. Weighted Highest may only be elected if Annex 15 applies)*
- Additional terms relating to Auction Settlement*
- (xxx) Fallback Settlement Method: [Cash Settlement]/[Not Applicable]
- (xxxi) Succession Event Backstop Date subject to adjustment in accordance with Business Day Convention: [Yes/No] [Not Applicable] *(specify Not Applicable if Annex 15 applies)*
- (xxxii) Limitation Dates subject to adjustment in accordance with Business Day Convention: [Yes/No] [Not Applicable] *(specify Not Applicable if Annex 15 applies)*
- Terms relating to Deliverable Obligations*
- (xxxiii) Deliverable Obligations
- The following are relevant to determining Valuation Obligations and do not imply that Physical Settlement will occur under the N&C Securities which*

are cash settled or credit linked interest only:

Deliverable Obligation Category: [See Physical Settlement Matrix]

[Payment]

(select one only)

[Borrowed Money]

[Reference Obligation Only]

[Bond]

[Loan]

[Bond or Loan]

Deliverable Obligation [See Physical Settlement Matrix]

Characteristics:

[Not Subordinated]

(select all of which apply)

[Credit Linked Specified Currency:

[specify currency] [Standard Specified Currencies]]

[Not Sovereign Lender]

[Not Domestic Currency]

[Domestic Currency means: [specify currency]]

[Not Domestic Law]

[Listed]

[Not Contingent]

[Not Domestic Issuance]

[Assignable Loan]

[Consent Required Loan]

[Direct Loan Participation]

[Qualifying Participation Seller: [insert details]]

[Transferable]

[Maximum Maturity: []]

[Accelerated or Matured]

[Not Bearer]

(N.B. "Not Contingent" may only be selected where Annex 7 applies)

[Insert and complete if Annex 15 applies: Sovereign No Asset Package Delivery: [Applicable/Not Applicable/See Physical Settlement Matrix]

Additional Obligation(s):

Deliverable []

(xxxiv) Excluded Obligation(s):

Deliverable []

Other terms

(xxxv) Physical Settlement Matrix:

[Applicable/Not Applicable]

[If the Physical Settlement Matrix applies insert:

[Insert if the applicable version of the Physical Settlement Matrix is not the most recently published as at the Trade Date:

Date of Physical Settlement Matrix: *[specify date]*

Transaction Type: [Standard North American Corporate/Standard European Corporate/Standard European Financial Corporate/Standard European CoCo Financial Corporate/Standard Subordinated European Insurance Corporate/Standard Emerging European Corporate LPN/Standard Emerging European Corporate/Standard Latin America Corporate B/Standard Latin America Corporate BL/Standard Australia Corporate/Standard Australia Financial Corporate/Standard New Zealand Corporate/Standard New Zealand Financial Corporate/Standard Japan Corporate/Standard Japan Financial Corporate/Standard Singapore Corporate/Standard Singapore Financial Corporate/Standard Asia Corporate/Standard Asia Financial Corporate/Standard Sukuk Corporate/Standard Western European Sovereign/Standard Latin America Sovereign/Standard Emerging European & Middle Eastern Sovereign/Standard Australia Sovereign/Standard New Zealand Sovereign/Standard Japan Sovereign/Standard Singapore Sovereign/Standard Asia Sovereign/Standard Sukuk Sovereign/Standard U.S. Municipal Full Faith and Credit/Standard U.S. Municipal General Fund/Standard U.S. Municipal Revenue/Standard European Senior Non-Preferred Financial Corporate] *(Specify per Reference Entity)*

[If the Securities are Tranched Zero Recovery Credit Linked N&C Securities, Tranched Recovery Index Credit Linked N&C Securities, Zero Recovery Basket Credit Linked N&C Securities linked to an index, Tranched Zero Recovery Index Coupon Credit Linked N&C Securities, Tranched Recovery Index Coupon Credit Linked N&C Securities or Market Recovery Basket Credit Linked N&C Securities linked to an index insert:

For the purposes of the Reference Entities listed in the relevant Index Annex, the Transaction Type under the Physical Settlement Matrix is as specified in the relevant Index. As at the Trade Date the Reference Entities comprising the *[specify as applicable]* Index are *[specify each relevant Transaction Type from the list above]*

		<i>(N.b. specify for each Index (if applicable) and depending on the date of the Physical Settlement Matrix, consider whether a supplement is required to amend the Credit Linked Conditions and/or pro forma Final Terms to reflect any amendments to the Physical Settlement Matrix reflected in that new version)</i>
(xxxvi)	Subordinated European Insurance Terms:	[Applicable/Not Applicable/See Physical Settlement Matrix] <i>(N.b. if Annex 7 applies, this should always be specified as "Not Applicable")</i>
(xxxvii)	Financial Reference Entity Terms:	[Applicable/Not Applicable/See Physical Settlement Matrix] <i>(N.b. if Annex 7 applies, this should always be specified as "Not Applicable")</i>
(xxxviii)	Reference Obligation Only Termination Amount:	[[]/Not Applicable] <i>(N.b. to be specified for the purposes of Credit Linked Condition 21 for Reference Obligation Only Securities relating to a single Reference Entity issued pursuant to Annex 15. If Annex 7 applies, this should always be specified as "Not Applicable")</i>
(xxxix)	Provisions relating to CoCo Reference Entities:	Credit Linked Condition 25: [Applicable/Not Applicable/See Physical Settlement Matrix] [If Applicable, insert if required: Trigger Percentage: []] <i>(N.b. If applicable this should be specified for each Reference Entity)</i>
(xl)	Credit Linked Business Day Convention:	[Following/Modified Following/Preceding]
(xli)	Provisions relating to Obligation Characteristics and Deliverable Obligation Characteristics to Additional Provisions for the Russian Federation:	Credit Linked Condition 26: [Applicable/Not Applicable/See Physical Settlement Matrix]
(xlii)	Provisions relating to Senior Non-Preferred Reference Obligations:	Credit Linked Condition 27: [Applicable [for all Reference Entities]/Not Applicable [for all Reference Entities]/See Physical Settlement Matrix [for each Transaction Type as specified in the Index]] <i>(If Applicable, or if See Physical Settlement Matrix is selected, specify the following:)</i> [Seniority Level: Senior Non-Preferred Level]
(xliii)	2019 Narrowly Tailored Credit Event Provisions:	Credit Linked Condition 28: [Applicable/Not Applicable/See Physical Settlement Matrix [for each Transaction Type as specified in the Index]] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>

		[Fallback Discounting: [Applicable/Not Applicable/See Physical Settlement Matrix [for each Transaction Type as specified in the Index]]
		Credit Deterioration Requirement: [Applicable/Not Applicable/See Physical Settlement Matrix[for each Transaction Type as specified in the Index]]]
(xliv)	Limited Recourse Provisions:	[Applicable/Not Applicable/See Physical Settlement Matrix]
		<i>(N.B. If Annex 7 applies this should always be specified as "Not Applicable")</i>
(xlv)	Relevant Final Price:	Credit Linked Condition 13 applies] / [[] Business Days] / [Not Applicable]
		<i>(N.B. applies only for Tranching Recovery Index Coupon Credit Linked N&C Securities, Tranching Recovery Index Credit Linked N&C Securities and Market Recovery Basket Credit Linked N&C Securities)</i>
(xlv)	Additional Provisions for Certain Russian Entities: Excluded Obligations and Excluded Deliverable Obligations:	Credit Linked Condition 29: [Applicable/Not Applicable/See Physical Settlement Matrix]
35.	Multi-Rate Interest N&C Securities:	[Applicable The provisions of Condition 22.1.4 shall apply.] [Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i)	Floating Rate Option:	In respect of the First Rate: [] In respect of the Second Rate: []
(ii)	Designated Maturity:	In respect of the First Rate: [] In respect of the Second Rate: []
(iii)	Reset Date:	In respect of the First Rate: [The [first]/[last] day of the Coupon Period] In respect of the Second Rate: [The [first]/[last] day of the Coupon Period] <i>(Also insert and complete in relation to each of the above rates any required options from item 20(vi)(ISDA Determination) above)</i>
(iv)	Cap:	[]
(v)	Floor:	[]
(vi)	First Rate Amount:	[] <i>(Specify per Coupon Period)</i>
(vii)	First Rate Cap:	[Not Applicable][] <i>(Specify per Coupon Period)</i>

- (viii) First Rate Floor: [Not Applicable][] (Specify per Coupon Period)
- (ix) Second Rate Amount: [] (Specify per Coupon Period)
- (x) Second Rate Cap: [Not Applicable][] (Specify per Coupon Period)
- (xi) Second Rate Floor: [Not Applicable][] (Specify per Coupon Period)
- (xii) Third Rate: [] (Specify per Coupon Period)
36. Range Accrual Interest N&C Securities: [Applicable
The provisions of Condition 22.1.5 shall apply.]
[Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Floating Rate Option:
- In respect of the First Rate: []
- In respect of the Second Rate: []
- In respect of the Range Day Rate: []/
- [Dual Rate 1: []
- Dual Rate 2: []]
- (ii) Designated Maturity:
- In respect of the First Rate: []
- In respect of the Second Rate: []
- In respect of the Range Day Rate: []/
- [Dual Rate 1: []
- Dual Rate 2: []]
- (iii) Reset Date:
- In respect of the First Rate: [The [first]/[last] day of the Coupon Period]
- In respect of the Second Rate: [The [first]/[last] day of the Coupon Period]
- In respect of [the Range Day Rate][Dual Rate 1 and Dual Rate 2]: [[] (Specify per Coupon Period)][The relevant Rate Determination Date]
- (Also insert and complete in relation to each of the above rates any required options from item 20(vi)(ISDA Determination) above)
- (iv) Rate Determination Centre: [insert business day centres]/[T2]
- (v) Rate of Interest Cap: [][Not Applicable]
- (vi) Rate of Interest Floor: []
- (vii) First Rate Amount: [] (Specify per Coupon Period)
- (viii) Second Rate Amount: [] (Specify per Coupon Period)
- (ix) Third Rate: [] (Specify per Coupon Period)

- (x) Rates Performance Cap: []
- (xi) Rates Performance Floor: []
- (xii) Range Day Rate: [Single Rate Determination][Dual Rate Determination]
- (xiii) Range Day Numerator: [Calendar days][Business Days][Not Applicable]
(*N.b. only specify Not Applicable if Single Rate Observation Date applies*)
[Rate Cut-off Date: []][calendar days][Business Days]
- (xiv) Range Day Denominator: [Calendar days][Business Days][Not Applicable]
(*N.b. only specify Not Applicable if Single Rate Observation Date applies*)
- (xv) Lower Barrier: []
- (xvi) Upper Barrier: []
- (xvii) Single Rate Observation Date: [Applicable/Not Applicable]
If applicable, insert:
Rate Observation Date[s]: [[]] (*Specify per Coupon Period*)[The [first]/[last] day of the relevant Coupon Period]]
37. Dual Range Accrual Interest N&C Securities: [Applicable
The provisions of Condition 22.1.6 shall apply.]
[Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Floating Rate Option:
- In respect of the First Rate: []
- In respect of the Second Rate: []
- [In respect of the Range Day Rate 1: []]
- [In respect of the Range Day Rate 1:
- Dual Rate 1: []
- Dual Rate 2: []]
- [In respect of the Range Day Rate 2: []]
- [In respect of the Range Day Rate 2: []
- Dual Rate 1: []
- Dual Rate 2: []]
- (ii) Designated Maturity:
- In respect of the First Rate: []

	In respect of the Second Rate:	[]
	[In respect of the Range Day Rate 1:	[]]
	[In respect of the Range Day Rate 1:	
	Dual Rate 1:	[]
	Dual Rate 2:	[]]
	[In respect of the Range Day Rate 2:	[]]
	[In respect of the Range Day Rate 2:	[]
	Dual Rate 1:	[]
	Dual Rate 2:	[]]
(iii)	Reset Date:	In respect of the First Rate: [The [first]/[last] day of the Coupon Period]
		In respect of the Second Rate: [The [first]/[last] day of the Coupon Period]
		In respect of [the Range Day Rate 1][Dual Rate 1 and Dual Rate 2 for Range Day Rate 1]: [[] (<i>Specify per Coupon Period</i>)] [The relevant Rate Determination Date]
		In respect of [the Range Day Rate 2][Dual Rate 1 and Dual Rate 2 for Range Day Rate 2]: [[] (<i>Specify per Coupon Period</i>)] [The relevant Rate Determination Date]
		<i>(Also insert and complete in relation to each of the above rates any required options from item 20(vi)(ISDA Determination) above)</i>
(iv)	Rate Determination Centre:	[insert business day centres]/[T2]
(v)	Rate of Interest Cap:	[] [Not Applicable]
(vi)	Rate of Interest Floor:	[]
(vii)	First Rate Amount:	[] (<i>Specify per Coupon Period</i>)
(viii)	Second Rate Amount:	[] (<i>Specify per Coupon Period</i>)
(ix)	Third Rate:	[] (<i>Specify per Coupon Period</i>)
(x)	Rates Performance Cap:	[]
(xi)	Rates Performance Floor:	[]
(xii)	Range Day Rate 1:	[Single Rate Determination][Dual Rate Determination]
(xiii)	Range Day Rate 2:	[Single Rate Determination][Dual Rate Determination]
(xiv)	Range Day Numerator:	[Calendar days][Business Days][Not Applicable]
		<i>(N.b. only specify Not Applicable if Single Rate Observation Date applies)</i>
		[Rate Cut-off Date: [] [calendar days][Business Days]]

(xv)	Range Day Denominator:	[Calendar days][Business Days][Not Applicable]
		<i>(N.b. only specify Not Applicable if Single Rate Observation Date applies)</i>
(xvi)	Lower Barrier:	
	(a) Range Day Rate 1:	[]
	(b) Range Day Rate 2:	[]
(xvii)	Upper Barrier:	
	(a) Range Day Rate 1:	[]
	(b) Range Day Rate 2:	[]
(xviii)	Single Rate Observation Date:	[Applicable/Not Applicable]
		<i>[If applicable, insert:</i>
	Rate Observation Date[s]:	[[] (<i>Specify per</i>
		<i>Coupon</i>
		<i>Period))</i> [The
		[first]/[last] day of
		the relevant Coupon
		Period]]
38.	Leveraged Inflation Interest N&C Securities:	[Applicable]
		[The provisions of Condition 22.1.7 and <i>Annex 6 (Additional Terms and Conditions for Inflation Linked Securities)</i> shall apply.]
		[Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Index/Index Sponsor(s):	[Insert details of relevant Index and Index Sponsor]
(ii)	Related Bond:	[Applicable/Not Applicable]
		The Related Bond is: [] [Fallback Bond]
(iii)	Related Bond Redemption Event:	[Applicable/Not Applicable]
(iv)	Fallback Bond:	[Applicable/Not Applicable]
(v)	Acceleration upon Rebasing of Index:	[Applicable/Not Applicable]
(vi)	Index Description:	[]
(vii)	Base Rate of Interest:	[]
(viii)	Cap:	[]
(ix)	Floor:	[]
(x)	Leverage:	[]
(xi)	Strike:	[]
(xii)	Number of Calendar Months (Initial Index Level):	[]
(xiii)	Number of Calendar Months (Reference Index Level):	[] [Not Applicable – Linear Interpolation applies]

(xiv)	Linear Interpolation:	[Applicable/Not Applicable] <i>[If Linear Interpolation applies, insert: For the purposes of the formula for determining the Final Index Level and the definitions of ILM-x and ILM-y:</i> x = [●]; and y = [●].
39.	Swap Rate Linked Interest N&C Securities	[Applicable The provisions of Condition 22.1.8 shall apply.] [Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i)	Rate of Interest determination basis:	
	<i>(N.b. specify per Coupon Period)</i>	
	<i>[For each Coupon Period for which Single Swap Rate Determination applies insert:</i>	
	For Coupon Period[s]:	[] <i>[e.g. First Coupon Period or Second Coupon Period or 1 and 2]</i> <i>(Specify each of the Coupon Periods to which the relevant determination basis and Reference Swap Rate specified immediately below shall apply and repeat as necessary by relevant Coupon Periods)</i>
	Determination basis:	Single Swap Rate Determination
	LF:	[]
	FA:	[] per cent.
	Reference Swap Rate:	[]
	Floating Rate Option:	[]
	Designated Maturity:	[]
	Reset Date:	[][The [first]/[last] day of the relevant Coupon Period]] <i>(Also insert and complete in relation to the above rate any required options from item 20(vi)(ISDA Determination) above)</i>
	<i>[For each Coupon Period for which Dual Swap Rate Determination applies insert:</i>	
	For Coupon Period[s]:	[] <i>[e.g. First Coupon Period or Second Coupon Period or 1 and 2]</i> <i>(Specify each of the Coupon Periods to which the relevant determination basis and Reference Swap Rate specified immediately below shall apply and repeat as necessary by relevant Coupon Periods)</i>

	Determination basis:	[Dual Swap Rate Determination/Dual Swap Rate Outperformance Determination] <i>(include such of the below prompts as are relevant)</i>
	LF ₁ :	[]
	LF ₂ :	[]
	Rate Performance Multiplier:	[]
	Rate Deduction Factor:	[]
	(a) First Swap Rate:	
	Reference Swap Rate:	[]
	Floating Rate Option:	[]
	Designated Maturity:	[]
	Reset Date:	[] [The [first]/[last] day of the relevant Coupon Period]
		<i>(Also insert and complete in relation to the above rate any required options from item 20(vi)(ISDA Determination) above)</i>
	First Swap Rate Cap:	[] [Not Applicable]
	First Swap Rate Floor:	[] [Not Applicable]
	(b) Second Swap Rate:	
	Reference Swap Rate:	[]
	Floating Rate Option:	[]
	Designated Maturity:	[]
	Reset Date:	[] [The [first]/[last] day of the relevant Coupon Period]
		<i>(Also insert and complete in relation to the above rate any required options from item 20(vi)(ISDA Determination) above)</i>
	Second Swap Rate Cap:	[] [Not Applicable]
	Second Swap Rate Floor:	[] [Not Applicable]
	(ii) Linear Interpolation:	Not Applicable
	(iii) Margin(s):	Not Applicable
	(iv) Determination Date(s)	Not Applicable
40.	Reverse Convertible Swap Rate Redemption N&C Securities:	[Applicable The provisions of Condition 22.2.13 shall apply.] [Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Final Redemption Amount:	The provisions of Condition 22.2.13 apply
	(ii) Barrier:	[]
	(iii) Reference Swap Rate:	[]

- (a) Designated Maturity: []
- (b) Floating Rate Option: []
- (c) Reset Date: [][Valuation Date]
- (Also insert and complete in relation to the above rate any required options from item 20(vi)(ISDA Determination) above)*
- (iv) Redemption Factor: []
- (v) Swap Rate_{INITIAL}: []
- (vi) Valuation Date: []
41. Geared Put Swap Rate Redemption N&C Securities: [Applicable
The provisions of Condition 22.2.14 shall apply.]
[Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Final Redemption Amount: The provisions of Condition 22.2.14 apply
- (ii) Barrier Factor: []
- (iii) Gearing Factor: []
- (iv) Reference Swap Rate: []
- (a) Designated Maturity: []
- (b) Floating Rate Option: []
- (c) Reset Date: [][Valuation Date]
- (Also insert and complete in relation to the above rate any required options from item 20(vi)(ISDA Determination) above)*
- (v) Redemption Factor: []
- (vi) Swap Rate_{INITIAL}: []
- (vii) Valuation Date: []
42. Provisions applicable to payments in Renminbi:
- (i) CNY Currency Event [Applicable/Not Applicable]
- (ii) Party responsible for calculating the Spot Rate: [Calculation Agent][Give name][Not Applicable]
- (iii) CNY Settlement Centre(s) [[]/Not Applicable]
43. Additional Business Centre(s): [][Not Applicable][See item [20(xiii)][22(v)] above]

GENERAL PROVISIONS APPLICABLE TO THE N&C SECURITIES

44. Form of N&C Securities: [Bearer N&C Securities:
[Temporary Bearer Global N&C Security exchangeable for a Permanent Bearer Global N&C

Security which is exchangeable for Definitive Bearer N&C Securities only upon an Exchange Event]

[Permanent Bearer Global N&C Security exchangeable for Definitive Bearer N&C Securities only upon an Exchange Event]

[Securities shall not be physically delivered in Belgium except to a clearing system, a depositary or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005] [*only applicable if Securities are to be offered in Belgium*]]

*(N&C Securities that are determined to be permanently prohibited from being offered, sold, resold, transferred, pledged or delivered in the United States or to, or for the benefit of, (a) a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the **Securities Act**) (**Regulation S**), (b) a person other than a "Non-United States person" as defined in Rule 4.7 under the United States Commodity Exchange Act of 1936, as amended (the **CEA**), (c) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the United States Commodity Futures Trading Commission (the **CFTC**), or the final rule relating to Cross-Border Application of the Registration Thresholds and Certain Requirements Applicable to Swap Dealers and Major Swap Participants promulgated by the CFTC, in each case as amended, modified or supplemented from time to time, pursuant to the CEA, (d) any other "U.S. person" as such term may be defined in Regulation S or in regulations or guidance adopted under the CEA, or (e) a "United States person" as defined in the United States Internal Revenue Code of 1986, as amended and the United States Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time (each such person, a **U.S. Person**) may only be issued in Bearer form.)*

[Registered N&C Securities:

[Regulation S Global N&C Security registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]]

[Rule 144A Global N&C Security registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg.]]

[Swiss N&C Securities:

The Swiss N&C Securities are issued in [bearer]/[uncertificated] form. The provisions of

Annex 10 (*Additional Terms and Conditions for Swiss Securities*) shall apply to the Swiss N&C Securities.]

(*Include any additional terms required in respect of Swiss Securities, e.g. in respect of notices or provisions for meetings of Securityholders*)

[Finnish N&C Securities:

The Finnish N&C Securities are in uncertificated and dematerialised book-entry form issued in accordance with the provisions of the Finnish Act on the Book-Entry System and Clearing Operations (*in Finnish Laki osuusjärjestelmästä ja selvitystoiminnasta* (348/2017, as amended) and the Finnish Act on Book-Entry Accounts (*in Finnish Laki arvo-osuustileistä* 827/1991, as amended). No global or definitive Finnish N&C Securities will be issued. The provisions of Annex 16 (*Additional Terms and Conditions for Finnish Securities*) shall apply to the Finnish N&C Securities.]

45. New Global Note:

[Yes][No]

46. Additional Financial Centre(s) (*for Payment Day purposes*):

[Not Applicable/*give details of the centre(s)/the T2 System (as applicable)*]

(*Note that this item relates to the date of payment and not the end dates of Coupon Periods for the purposes of calculating the Coupon Amount, as to which see item 20(xiii) and 22(v)*)

47. Talons for future Coupons to be attached to Definitive Bearer N&C Securities:

[Yes, as the N&C Securities have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

RESPONSIBILITY FOR THIRD PARTY INFORMATION

[The information relating to [●] [and [●]] contained herein has been extracted from [*insert information source(s)*]. [Each of the] [The] Issuer [and the Guarantor] confirm[s] that this information has been accurately reproduced and that, so far as [it is] [they are each] aware and [is][are] able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By:

Duly authorised]

[Signed on behalf of the NHI Guarantor:

By:.....

Duly authorised]

[Signed on behalf of the NSC Guarantor:

By:.....

Duly authorised]

PART B – OTHER INFORMATION

When completing this Part B prompts marked:

- * *should be deleted if minimum denomination is less than €100,000 (or its equivalent in the relevant currency as at the date of issue).*
- ** *should be deleted if minimum denomination is €100,000 or more (or its equivalent in the relevant currency as at the date of issue).*
- *** *should be deleted if minimum denomination is €100,000 or more (or its equivalent in the relevant currency as at the date of issue) and the securities are not Derivative Securities.*
- **** *should be deleted if the securities are Derivative Securities.*

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application [has been]/[is expected to be] made by the Issuer (or on its behalf) for the N&C Securities to be admitted to trading on /[Luxembourg Stock Exchange's [regulated market]/[Euro MTF Market]/[the Electronic Bond Market organised and managed by Borsa Italiana S.p.A. (MOT)]/[specify relevant market of the applicable stock exchange in Austria, Belgium, Denmark, France, Germany, Hungary, Ireland, Italy, Poland, Portugal, Spain, Sweden or The Netherlands] [and listed on the Official List of the Luxembourg Stock Exchange]/[specify relevant listing authority in Austria, Belgium, Denmark, France, Germany, Hungary, Ireland, Italy, Poland, Portugal, Spain, Sweden or The Netherlands] [with effect from [].] [Not Applicable.]
- [Where documenting a fungible issue in respect of which the original securities are already admitted to trading, insert: The existing N&C Securities with which these Securities are to be consolidated and form a single series are admitted to trading on [Luxembourg Stock Exchange's [regulated market]/[Euro MTF Market]/[MOT]]/[specify relevant market of the applicable stock exchange in Austria, Belgium, Denmark, France, Germany, Hungary, Ireland, Italy, Poland, Portugal, Spain, Sweden or The Netherlands] [and listed on the Official List of the Luxembourg Stock Exchange] /[MOT]]/[specify relevant listing authority in Austria, Belgium, Denmark, France, Germany, Hungary, Ireland, Italy, Poland, Portugal, Spain, Sweden or The Netherlands].]**
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [Not applicable]
- [The N&C Securities to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the specific rating allocated (if any).)

[[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). [As such [insert the legal name of the relevant credit rating agency entity] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]

[[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended)[. [Insert the legal name of the relevant non-EU credit rating agency entity] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

*[[Insert the legal name of the relevant non-EU credit ratings agency entity] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings have been endorsed by [insert the legal name of the relevant EU-registered credit rating agency entity] in accordance with the CRA Regulation. [Insert the legal name of the relevant EU credit rating agency entity] is established in the European Union and registered under the CRA Regulation[. As such [insert the legal name of the relevant EU credit rating agency entity] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]] The European Securities and Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (delete as appropriate)] which have been endorsed by [insert the legal name of the relevant EU credit rating agency entity that applied for registration] may be used in the EU by the relevant market participants.]*

*[[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), but it [is]/[has applied to be] certified in accordance with the CRA Regulation[[*[EITHER:]* and it is included in the list of credit rating*

agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] *[[OR:] although notification of the corresponding certification decision has not yet been provided by the European Securities and Markets Authority and [insert the legal name of the relevant non-EU credit rating agency entity] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]*

[[Insert the legal name of the relevant credit rating agency entity] 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 European Securities and Markets Authority [and [insert the legal name of the relevant credit rating agency entity] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

*[[Insert the legal name of the relevant non-EU credit rating agency entity] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, the application for registration under the CRA Regulation of [insert the legal name of the relevant EU credit rating agency entity that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [insert the legal name of the relevant non-EU credit rating agency entity][, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and [insert the legal name of the relevant EU credit rating agency entity] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] The European Securities and Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (delete as appropriate)] which have been endorsed by [insert the legal name of the relevant EU credit rating agency entity that applied for registration] may be used in the EU by the relevant market participants.]*

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the N&C Securities has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the

Issuer [and the Guarantor] and [their][its] affiliates in the ordinary course of business – *amend as appropriate if there are other interests*

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation or the use of a Securities Note or "unitary" prospectus.)

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

- (i) [Reasons for offer [See "Use of Proceeds" in the Base Prospectus/Give details]
(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details.)
- (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")*

5. **YIELD**

- Indication of yield: [] [Not Applicable]
(N.B. Mark as "Not Applicable" if either (i) the Securities are not Fixed Rate N&C Securities or (ii) if the Securities are Derivative Securities)

6. **PERFORMANCE OF RATES**

[[Details of past and future performance of rates can be obtained, [but not] free of charge, from [Reuters/Bloomberg/give details of electronic means of obtaining the details of performance] page[s]: []].

(Insert information for each relevant reference rate)]] [Not Applicable]

(N.b. Mark as "Not Applicable" if either (i) the Securities are not Floating Rate N&C Securities, Range Accrual Interest N&C Securities, Dual Range Accrual Interest N&C Securities or Multi-Rate Interest N&C Securities or (ii) the minimum denomination is €100,000 or more (or its equivalent in the relevant currency as at the date of issue))

7. **PERFORMANCE OF THE UNDERLYING[S], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT [AND OTHER INFORMATION CONCERNING THE UNDERLYING[S]]**

[If there is no underlying insert: Not Applicable][Otherwise disclosure here must comply with Commission Delegated Regulation (EU) 2019/980, Annex 17, item 2.2.2. In particular: in respect of any and each underlying that is an index include name of the index, the name of each index sponsor and details of where the information about the index can be obtained and note additional requirements and related regulatory position if the index is not provided by an EU Benchmarks Regulation approved administrator. In respect of any and each underlying that is a share or security include details of the name of the share /security issuer and ISIN of the share/security. In respect of any and each underlying that is a currency/currency exchange rate include details of the

currency/rate. In respect of each underlying include details of where information on the underlying can be obtained including an indication of where past and future performance and volatility of the underlying can be obtained by electronic means and whether or not it can be obtained free of charge. In respect of Credit Linked Securities, where no Reference Obligation or Reference Entity represents 20% or more of the basket or index of Reference Entities either (i) set out in a table (a) the names of the reference entities and (if different) issuers of the Reference Obligation; and (b) the ISIN of the Reference Obligation or (ii) where such information is already included in item 34 of the Final Terms, include a cross reference thereto. In respect of all other Credit Linked Securities insert:

Certain information in relation to [the][each] Reference Entity and [[Non-]Standard Reference Obligation] (if any) as at the Issue Date is set out below.

Name: ☐

Address: ☐

Country of incorporation: ☐

Industry or industries of operation: ☐ (For example financials, energy, insurance, manufacturing, construction, transport, media determined on the basis of available information on the Reference Entity)

Market[(s)] on which securities are admitted to trading: ☐

[[Non-]Standard Reference Obligation] ☐[Not Applicable]

Securities Code:

(The information above should be completed so far as the Issuer is aware and/or able to ascertain from information published by the relevant Reference Entity and should be repeated for each Reference Entity. Country of incorporation, industry and address will be "Not Applicable" for a Sovereign Reference entity and Securities Code (eg. ISIN/CUSIP) will be "Not Applicable" if there is no Reference Obligation or it has no securities code. Note permissible markets for a Reference Entity's securities to be admitted to trading on are regulated markets, equivalent third country markets and SME Growth Markets, each as described in Regulation EU No 2019/980, Annex 17, item 2.2.2 (a)(ii). Where such requirement cannot be satisfied, a drawdown prospectus must be prepared that includes the required information to be addressed under Annex 17, item 2.2.2 (a)(i).)

As at the Issue Date information in relation to the past and future performance of [[the] [each] Reference Entity] *[[insert Reference Entity name]]* is available [free of charge/at a charge] from *[[insert electronically displayed sources such as Bloomberg]]*. (Repeat for each Reference Entity as applicable)]

[An example of how the value of the investment is affected by value of the underlying may be included.]

8. OPERATIONAL INFORMATION

- (i) ISIN:
- (ii) CUSIP: (Include for 144A issuance)
- (iii) CFI: [See/[[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [See/[[include code], as updated, as set out on] the website of the Association of National Numbering

- Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Common Code: []
- (vi) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg / The Depositary Trust Company and the relevant identification number(s): [Not Applicable]/[Euroclear Finland Oy]/ *give name(s) and number(s)*[*For Securities listed on Borsa Italiana include details of relevant clearing arrangement with Monte Titoli S.p.A., also known as Euronext Securities Milan*]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of initial Paying Agents: [Citibank, N.A., London Branch, 13th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB/*Other*]
- (ix) Names and addresses of additional Paying Agent(s) (if any): []
(N.B. In respect of Swiss Securities include details of the relevant Swiss Paying Agent. In respect of Finnish Securities include details of the relevant Finnish Issuer Agent)
- (x) Intended to be held in a manner which would allow Eurosystem eligibility. [Yes. Note that the designation "yes" simply means that the N&C Securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the N&C Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
 [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the N&C Securities are capable of meeting them the N&C Securities may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the N&C Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
(N.B. Registered N&C Securities will not be ECB eligible)

9. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names[and addresses]*** of Managers [and underwriting [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

- commitments/quotas (material 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)*** features)] ***:
- (iii) Date of Subscription Agreement***: []
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name [and address]*** of relevant Dealer: [Not Applicable/give name [and address]***]
- (vi) Total commission and concession:** [] per cent. of the Aggregate Nominal Amount**
- (vii) U.S. Selling Restrictions: [TEFRA D/TEFRA C/TEFRA not applicable]
- (viii) Additional U.S. Federal Income Tax considerations: [Not Applicable] [For U.S. federal income tax purposes, the Issuer intends to treat the N&C Securities as [fixed-rate debt/variable rate debt instruments/contingent payment debt instruments/short-term debt/options or warrants/prepaid forward contracts/a loan (or deposit) and one or more options, for which purposes, the Issuer will treat []% of each coupon on a N&C Security as interest and []% as option premium]. [The comparable yield relating to the N&C Securities will be []% compounded [semi-annually/quarterly/monthly], and the projected payment schedule with respect to a N&C Security consists of the following payments: [].] [The comparable yield relating to the N&C Securities and the projected payment schedule are available by contacting [] at [].]
- (N.b. This disclosure is only required for N&C Securities issued under Rule 144A. Otherwise specify "Not Applicable")
- (ix) Specified Securities for U.S. Dividend Equivalent Withholding purposes: [The N&C Securities shall [not] be treated as Specified Securities (as defined in the Base Prospectus) for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986.] [Based on market conditions on the date of these Final Terms, the Issuer has made a preliminary determination that the N&C Securities are [not] Specified Securities (as defined in the Base Prospectus) for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986. This is a preliminary determination only that is subject to change based on market conditions on the Issue Date. If the Issuer's final determination is different then it will give notice of such determination.] [Please contact [give name(s) and address(es) of Issuer contact] for further information regarding the application of Section 871(m) to the N&C Securities.]

(N.B. The Securities will not be Specified Securities if they do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Securities reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis would be required.)

(x) Non-exempt Offer:

[Applicable] [Not Applicable]

(if not applicable, delete the remaining placeholders of this paragraph (x) and, unless the Final Terms relate to a Swiss Non-exempt Offer, also paragraph 11 below).

Non-exempt Offer
Jurisdictions:**

[Specify relevant State(s) where the Issuer intends to make Non-exempt Offers, (where the Base Prospectus lists the Non-exempt Offer Jurisdictions, select from that list), which must, therefore, be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where the Base Prospectus was approved and published)]

Offer Period:

[specify date] until [specify date]

Financial intermediaries granted
specific consent to use the Base
Prospectus in accordance with the
Conditions in it:

[Insert names and addresses of financial intermediaries receiving consent (specific consent)]

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

(xi) Prohibition of Sales to EEA
Retail Investors:

[Applicable/Not Applicable]

(If the Securities clearly do not constitute "packaged" products or the Securities do constitute "packaged" products and a PRIIPs KID will be prepared in the EEA, "Not Applicable" should be specified. If (i) the Securities may constitute "packaged" products and (ii) the PRIIP manufacturer does not intend to prepare and publish a PRIIPs KID in the EEA, or only intends to prepare and publish a PRIIPs KID during a specified period and/or in certain EEA jurisdiction(s), "Applicable" should be specified. If "Applicable" is specified but a PRIIPs KID will be provided during a specified period and/or in certain EEA jurisdiction(s) only, specify a PRIIPs Compliant Sales Period and/or PRIIPs Retail Offer Jurisdiction(s) (as relevant below)

	[PRIIPs Compliant Sales Period:	[Offer Period][The period from [specify date] until [specify date][[the date which falls [] Business Days after] the Issue Date]]]
	[PRIIPs Retail Offer Jurisdiction[s]:	[Specify EEA jurisdiction(s) in which a PRIIPs KID will be made available. "All EEA jurisdictions" may be specified if relevant]] [For the avoidance of doubt, a PRIIPs key information document will only be made available [in [the][each] PRIIPs Retail Offer Jurisdiction] [during the PRIIPs Compliant Sales Period specified above].]
(xii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] <i>(If the Securities clearly do not constitute "packaged" products or the Securities do constitute "packaged" products and a UK PRIIPs KID will be prepared, "Not Applicable" should be specified. If (i) the Securities may constitute "packaged" products and (ii) the PRIIP manufacturer does not intend to prepare and publish a UK PRIIPs KID, or only intends to prepare and publish a UK PRIIPs KID during a specified period "Applicable" should be specified. If "Applicable" is specified and a UK PRIIPs KID will be provided during a specified period only, specify a UK PRIIPs Compliant Sales Period below)</i>
	[UK PRIIPs Compliant Sales Period:	[Offer Period][The period from [specify date] until [specify date][[the date which falls [] Business Days after] the Issue Date]]]
(xiii)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] <i>(N.b. advice should be taken from Belgian counsel before disapplying this selling restriction)</i>
(xiv)	Prohibition of Offer to Private Clients in Switzerland:	[Applicable[, other than with respect to offers during [the Swiss KID Compliant Sales Period] [the period[s] [●]-[●]] [or] [the duration of the applicable transition period under FinSA and its implementing ordinance]] [Not Applicable]]
	[Swiss KID Compliant Sales Period:	[Swiss Offer Period][The period from [specify date] until [specify date][[the date which falls [●] Business Days after] the Issue Date]]]
(xv)	Swiss Non-exempt Offer:	[Applicable] [Not Applicable] <i>(If not applicable, delete the remaining placeholders of this paragraph (xv) and, unless the Final Terms relate to a Swiss Non-exempt Offer, also paragraph 11 below)</i>
	Swiss Offer Period:	[specify date] until [specify date]
	[Withdrawal right according to Article 63(5) of the Swiss Financial Services Ordinance (FinSO):	[If an obligation to prepare a supplement to the Base Prospectus according to Article 56(5) FinSA is triggered during the Swiss Offer Period, investors who have already subscribed or agreed to purchase or subscribe for N&C Securities before any such supplement to the Base Prospectus is published have

the right to withdraw their subscriptions and acceptances within a period of two days from the publication of such supplement [regardless of whether the Swiss Offer Period closes prior to the expiry of such two day period.]

[Not Applicable]

(Specify as applicable and tailor as appropriate where the Final Terms are deposited with SIX Exchange Regulation Ltd. as review body in Switzerland.)

Financial intermediaries granted specific consent to use the Base Prospectus for Swiss Non-exempt Offers:

[Insert names and addresses of financial intermediaries receiving consent (specific consent)]

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a Swiss Non-exempt Offer. No such offer should be made until those requirements have been met.)

10. EU BENCHMARKS REGULATION

EU Benchmarks Regulation: Article 29(2) statement on benchmarks:

[Not Applicable]

[Applicable: Certain amounts under the Securities are calculated by reference to [EURIBOR/SONIA/SOFR/€STR/SARON/ specify other relevant reference rate for ISDA Floating Rate Option/specify other relevant rate or index], which [is/are] provided by [insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark].

As at the date of these Final Terms, [insert name[s] of the administrator[s]] [is/are] [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority [(ESMA)] pursuant to article 36 of the EU Benchmarks Regulation (Regulation (EU) 2016/1011) [as no such registration is required pursuant to the central bank exemption in Article 2.2(a) of the EU Benchmarks Regulation (Regulation (EU) 2016/1011)].] *(repeat as necessary)*

11. TERMS AND CONDITIONS OF THE OFFER *(Public Offer only)***

(Delete whole section if sub-paragraph 9(x) above and sub-paragraph 9(xv) above are specified to be "Not Applicable". Where sub-paragraph 9(x) above and sub-paragraph 9(xv) above are specified as "Not Applicable" there is no Non-exempt Offer or Swiss Non-exempt Offer)

Offer Price:

[Issue Price/Not Applicable/specify]

Conditions to which the offer is subject:

[Not Applicable/give details (including, where relevant, the categories of potential investors to which the Securities are offered)]

Description of the application process:

[Not Applicable/give details]

Details of the minimum and/or maximum amount of the application:	[Not Applicable/ <i>give details</i>]
Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants:	[Not Applicable/ <i>give details</i>]
Details of the method and time limits for paying up and delivering the N&C Securities:	[Not Applicable/ <i>give details</i>]
Manner and date in 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 notifying applicants of an amount allotted and indication whether dealing may begin before notification is made:	[Not Applicable/ <i>give details</i>]
Amount of any expenses and taxes charged to the subscriber or purchaser:	[Not Applicable/ <i>give details</i>] <i>(If the Issuer is subject to MiFID II /UK MiFIR and/or PRIIPs/UK PRIIPs such that it is required to disclose information relating to costs and charges, also include that information)</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 Authorised Offerors identified in, or identified in the manner specified in, paragraph 9 above and identifiable from the Base Prospectus/None/ <i>give details</i>].
[Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:]	[None/ <i>give details</i>]

12. INDEX DISCLAIMER

[If applicable in the case of Securities referencing an index, including a credit index, include here any relevant index disclaimer]

ANNEX

[SUMMARY OF THE N&C SECURITIES]

[Insert completed Summary for N&C Securities with a denomination of less than EUR100,000 (or its equivalent in any other currency), unless the Securities are Exempt N&C Securities, or for an offer of Swiss Non-Exempt Securities]

TERMS AND CONDITIONS OF THE N&C SECURITIES

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The following section applies to both Exempt Securities and Non-Exempt Securities.

The following are the Terms and Conditions of the N&C Securities which will be incorporated by reference into each Global N&C Security (as defined below) and each definitive N&C Security, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive N&C Security will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt N&C Securities (as defined below) 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 N&C Securities. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global N&C Security and definitive N&C Security. In the case of N&C Securities other than Exempt N&C Securities, reference should be made to the "applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant N&C Securities. In the case of N&C Securities that are Swiss Non-Exempt Securities, notwithstanding that such Swiss Non-Exempt Securities may also be Exempt Securities, the Issuer shall complete Final Terms, and references in these Terms and Conditions to provisions that apply, or may be applied, only to Exempt Securities shall not apply to such Swiss Non-Exempt Securities.

The Additional Terms and Conditions contained in Annex 1 in the case of Index Linked N&C Securities, Annex 2 in the case of Equity Linked N&C Securities, Annex 3 in the case of FX Linked N&C Securities, Annex 4 in the case of Commodity Linked N&C Securities, Annex 5 in the case of Fund Linked N&C Securities, Annex 6 in the case of Inflation Linked N&C Securities, Annex 7 or Annex 15 in the case of Credit Linked N&C Securities, Annex 8 in the case of Physical Delivery N&C Securities, Annex 9 in the case of Swedish Securities, Annex 10 in the case of Swiss Securities, Annex 11 in the case of Short Price Payout N&C Securities, Annex 12 in the case of Preference Share Linked N&C Securities, Annex 13 in the case of MOT N&C Securities, and/or Annex 16 in the case of Finnish Securities (each as defined below) will apply to the N&C Securities if specified herein and/or in the applicable Final Terms.

This N&C Security is one of a Series (as defined below) of N&C Securities issued by Nomura International Funding Pte. Ltd. (the **Issuer**) pursuant to the Agency Agreement (as defined below). N&C Securities will be either notes (**Notes**) or redeemable certificates (**Certificates**), as specified in the applicable Final Terms, and references in these Terms and Conditions to "N&C Security", "N&C Securities", "Note", "Notes", "Certificate" and "Certificates" will be construed accordingly.

N&C Securities may be in bearer form (**Bearer N&C Securities**) or registered form (**Registered N&C Securities**).

References herein to the **N&C Securities** shall be references to the N&C Securities of this Series and shall mean:

- (i) in relation to any N&C Securities represented by a global N&C Security (a **Global N&C Security**), units of each Specified Denomination in the Specified Currency (in the case of Notes) or each security unit represented by the Global N&C Security (in the case of Certificates);
- (ii) any Global N&C Security;
- (iii) any Bearer N&C Securities in definitive form issued in exchange for a Global N&C Security in bearer form; and
- (iv) any Registered N&C Securities in definitive form (whether or not issued in exchange for a Global N&C Security in registered form).

The N&C Securities, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated on or about 20 September 2023 and made

between the Issuer, Nomura Holdings, Inc. (the **NHI Guarantor**), Nomura Securities Co., Ltd. (the **NSC Guarantor** and, together with the NHI Guarantor, the **Guarantors** and each a **Guarantor**), Citibank, N.A., London Branch as issuing and principal agent and agent bank (the **Principal Agent**, which expression shall include any successor principal agent) and the other paying agents named therein (together with the Principal Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent) and Citibank Europe PLC as registrar (the **Registrar**, which expression shall include any successor registrar) and Citibank, N.A., London Branch as transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

The N&C Securities may be issued with the benefit of a guarantee either (i) from the NHI Guarantor or (ii) from the NSC Guarantor pursuant to a deed of guarantee substantially in the form set out in the Base Prospectus dated on or about 20 September 2023 and executed by the relevant Guarantor and in certain circumstances a Series of Exempt N&C Securities may be guaranteed by (i) Nomura International (Hong Kong) Limited (the **NIHK Guarantor**) or (ii) the NHI Guarantor and NIHK Guarantor, and details of this (including the relevant guarantee) will be set out in the applicable Pricing Supplement where applicable. Each such guarantee, as modified, supplemented and/or restated from time to time is referred to as a **Guarantee**. A Guarantee will not be applicable in respect of a Series of N&C Securities unless expressly specified in the applicable Final Terms. If the applicable Final Terms in respect of any Series of N&C Securities does not state that the N&C Securities of such Series are Guaranteed N&C Securities, then such N&C Securities will not have the benefit of a Guarantee or any other guarantee or similar arrangements from the Guarantors or any other party. The original of each Guarantee is held by the Principal Agent on behalf of the Holders, the Receipholders and the Couponholders at its specified office.

Any N&C Securities specified in the applicable Final Terms as guaranteed either by the NHI Guarantor, the NSC Guarantor and/or the NIHK Guarantor are referred to herein as **Guaranteed N&C Securities**. The principal, interest and all other amounts payable or deliverable under Guaranteed N&C Securities are unconditionally and irrevocably guaranteed by the applicable Guarantor pursuant to the terms of the relevant Guarantee. All references herein to the Guarantor will be construed to mean either (i) the NHI Guarantor, (ii) the NSC Guarantor and/or (iii) the NIHK Guarantor as applicable and all references herein to the Guarantee will be construed to mean either (i) the Guarantee executed by the NHI Guarantor, (ii) the Guarantee executed by the NSC Guarantor (iii) the Guarantee executed by the NIHK Guarantor or (iv) the joint guarantee (the **NIHK/NHI Joint Guarantee**) executed by the NIHK Guarantor and the NIHK Guarantor, as applicable.

The final terms for this N&C Security (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this N&C Security which supplement these Terms and Conditions (the **Conditions**, which term shall include one or more of the annex(es) of additional terms and conditions or amendments to the terms and conditions, in each case in the form annexed hereto (each a **Technical Annex**) if specified as applicable herein and/or in such Final Terms) or, if this N&C Security is neither admitted to trading on (a) a regulated market in the European Economic Area (the **EEA**) nor offered in the EEA or in circumstances where a prospectus is required to be published under the Prospectus Regulation (an **Exempt N&C Security**), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this N&C Security. References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this N&C Security. Any reference in the Conditions to **applicable Final Terms** shall be deemed to include a reference to **applicable Pricing Supplement** where relevant. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

N&C Securities of a Tranche will have the Aggregate Nominal Amount specified in the applicable Final Terms for that Tranche as of the relevant Issue Date, in each case as adjusted from time to time to take into account any purchase and cancellation of N&C Securities pursuant to N&C Securities Condition 8.10 and any further issue of N&C Securities pursuant to N&C Securities Condition 19. All references to the aggregate Nominal

Amount, Aggregate Nominal Amount or the aggregate nominal amount of the N&C Securities will be construed accordingly.

Interest bearing definitive Bearer N&C Securities have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer N&C Securities repayable in instalments (which N&C Securities may only be Exempt N&C Securities) have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Definitive Registered N&C Securities and Global N&C Securities do not have Receipts, Coupons or Talons attached on issue.

Any reference to **Securityholders** or **holders** in relation to any N&C Securities shall mean (in the case of Bearer N&C Securities) the holders of the N&C Securities and (in the case of Registered N&C Securities) the persons in whose name the N&C Securities are registered and shall, in relation to any N&C Securities represented by a Global N&C Security, be construed as provided in N&C Securities Condition 1.5 below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

Any reference herein to the N&C Securities being listed and/or admitted to trading shall mean that such N&C Securities have either been (i) admitted to the Official List of the Luxembourg Stock Exchange (the **LuxSE**) and admitted to trading on the LuxSE's Regulated Market or Euro MTF market as specified in the applicable Final Terms, and/or (ii) listed and/or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be determined by the Issuer and which, where known as of the Issue Date, in each case as specified in the applicable Final Terms.

Application may also be made for N&C Securities issued under the Programme to be listed on the Electronic Bond Market organised and managed by Borsa Italiana S.p.A. (**MOT**) in compliance with the Rules of the Markets organized and managed by Borsa Italiana S.p.A. (Regolamento dei mercati organizzati e gestiti da Borsa Italiana S.p.A.) and the related Instructions to the Rules of the Markets and to the MTFs organized and managed by Borsa Italiana S.p.A. (Istruzioni al Regolamento dei mercati e degli MTFs organizzati e gestiti da Borsa Italiana S.p.A.) as amended from time to time.

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

The Securityholders, the Receiptholders and the Couponholders are entitled to the benefit of a deed of covenant (such deed of covenant as modified, supplemented and/or restated from time to time, the **Deed of Covenant**) dated on or about 20 September 2023 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary or common safekeeper, as the case may be for Euroclear, Clearstream, Luxembourg and DTC (each as defined below).

Copies of the Agency Agreement, each Guarantee and the Deed of Covenant (i) are available for inspection during normal business hours at the specified office of each of the Principal Agent, the Registrar, the other Paying Agents, the Exchange Agent and the other Transfer Agents (such Agents and the Registrar being together referred to as the **Agents**) or (ii) may be provided by email to a Securityholder following their prior written request to the Agents and provision of proof of holding and identity (in a form satisfactory to the relevant Agent). If the N&C Securities are to be admitted to trading on the LuxSE's regulated market, the applicable Final Terms will be published on the website of the LuxSE (www.luxse.com). If this N&C Security is an Exempt N&C Security and is to be listed on the Euro MTF market, the applicable Pricing Supplement

will be published on the website of the LuxSE (www.luxse.com). Otherwise, the applicable Pricing Supplement will be obtainable by a holder holding one or more N&C Securities and such holder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such N&C Securities and identity. The Securityholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail. In the case of any inconsistency between any Technical Annex(es) specified as applicable herein and/or in the applicable Final Terms and other parts of these Conditions, the provisions of the applicable Technical Annex(es) shall prevail unless otherwise specified herein. In the case of any inconsistency between the applicable Final Terms and the Conditions, the applicable Final Terms shall prevail.

1. FORM, DENOMINATION AND TITLE

1.1 Form

The N&C Securities will be issued in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive N&C Securities, serially numbered, in the currency (the **Specified Currency**) and denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. N&C Securities will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each N&C Security will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Unless otherwise specified in the applicable Final Terms, N&C Securities sold in the United States or to U.S. persons will be subject to a minimum denomination requirement of U.S.\$100,000 (or the equivalent in another Specified Currency) and will be issued in integral denominations of U.S.\$1,000 (or the equivalent in another Specified Currency) in excess thereof. N&C Securities of one Specified Denomination may not be exchanged for N&C Securities of another Specified Denomination and Bearer N&C Securities may not be exchanged for Registered N&C Securities and *vice versa*.

1.2 Interest and Redemption

1.2.1 Exempt Securities

If this N&C Security is an Exempt N&C Security, this N&C Security may be a Fixed Rate N&C Security, a Floating Rate N&C Security, a Zero Coupon N&C Security, a Dual Currency Interest N&C Security, an Index Linked Interest N&C Security (which, if so specified in the applicable Pricing Supplement, may also be a Conditional Interest N&C Security), an Equity Linked Interest N&C Security (which, if so specified in the applicable Pricing Supplement, may also be a Conditional Interest N&C Security), an FX Linked Interest N&C Security, a Commodity Linked Interest N&C Security, a Fund Linked Interest N&C Security, an Inflation Linked Interest N&C Security, a Tranch Zero Recovery Index Coupon Credit Linked N&C Security, a Tranch Zero Recovery Index Coupon Credit Linked N&C Security or a combination of any of the foregoing, depending upon the Coupon Basis shown in the applicable Pricing Supplement.

If this N&C Security is an Exempt N&C Security, this N&C Security may also be an Instalment N&C Security, a Dual Currency Redemption N&C Security, a Partly Paid N&C Security, an Index Linked Redemption N&C Security (together with Index Linked Interest N&C Securities, **Index Linked N&C**

Securities), an Equity Linked Redemption N&C Security (together with Equity Linked Interest N&C Securities, **Equity Linked N&C Securities**, which term shall include N&C Securities linked to American Depository Receipts and/or Global Depository Receipts (**ADR/GDR Linked N&C Securities**)), an FX Linked Redemption N&C Security (together with FX Linked Interest N&C Securities, **FX Linked N&C Securities**), a Commodity Linked Redemption N&C Security (together with Commodity Linked Interest N&C Securities, **Commodity Linked N&C Securities**), a Fund Linked Redemption N&C Security (together with Fund Linked Interest N&C Securities, **Fund Linked N&C Securities**), an Inflation Linked Redemption N&C Security (together with Inflation Linked Interest N&C Securities, **Inflation Linked N&C Securities**), a Credit Linked Redemption N&C Security (together with, a Tranching Zero Recovery Index Coupon Credit Linked N&C Security and a Tranching Recovery Index Coupon Credit Linked N&C Security, **Credit Linked N&C Securities**), a Physical Delivery N&C Security (**Physical Delivery N&C Securities**), a Swedish Security (**Swedish Securities**), a Finnish Security (**Finnish Securities**), a Swiss Security (**Swiss Securities**), a Short Price Payout N&C Security (**Short Price Payout N&C Securities**), a Preference Share Linked N&C Security (**Preference Share Linked N&C Securities**), an MOT N&C Security (**MOT N&C Securities**) or a combination of any of the foregoing or any other or further type of Securities as is specified in the applicable Pricing Supplement, in each case as specified in and depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

1.2.2 Non-Exempt Securities

If this N&C Security is a Non-Exempt N&C Security, this N&C Security may be a Fixed Rate N&C Security, a Floating Rate N&C Security, a Zero Coupon N&C Security, a Fixed FX Interest N&C Security (which is a type of FX Linked Interest N&C Security), an Equity Basket Conditional Interest N&C Security (which is a type of Equity Linked Interest N&C Security), an Index Basket Conditional Interest N&C Security (which is a type of Index Linked Interest N&C Security), a Multi Rate Interest N&C Security, a Range Accrual Interest N&C Security, a Dual Range Accrual Interest N&C Security, a Leveraged Inflation Interest N&C Security (which is a type of Inflation Linked Interest N&C Security), a Swap Rate Linked Interest N&C Security, a Tranching Zero Recovery Index Coupon Credit Linked N&C Security (which is a type of Credit Linked N&C Security) and, depending on the specification in the applicable Final Terms, Fixed Rate N&C Security or Floating Rate N&C Security or a Tranching Recovery Index Coupon Credit Linked N&C Security (which is a type of Credit Linked N&C Security) and, depending on the specification in the applicable Final Terms, Fixed Rate N&C Security or Floating Rate N&C Security, depending upon the Coupon Basis shown in the applicable Final Terms (each such N&C Security, a **Non-Exempt Interest N&C Security**).

If this N&C Security is a Non-Exempt N&C Security, this N&C Security may also be;

- (a) a FX Redemption N&C Security or a Fixed Denomination FX Redemption N&C Security (each of which is a type of FX Linked Redemption N&C Security);
- (b) an Equity Basket Knock-In N&C Security, an Equity Basket Barrier Knock-In N&C Security, an Equity Basket Bonus Barrier N&C Security, an Equity Basket Autocall N&C Security or an Equity Delta One Redemption N&C Security (each of which is a type of Equity Linked Redemption N&C Security);
- (c) an Index Basket Knock-In N&C Security, an Index Basket Barrier Knock-In N&C Security, an Index Basket Bonus Barrier N&C Security or an Index Basket Autocall N&C Security (each of which is a type of Index Linked Redemption N&C Security);
- (d) a Zero Recovery Single Name Credit Linked N&C Security, Zero Recovery Basket Credit Linked N&C Security, Tranching Zero Recovery Credit Linked N&C Security (which is a type of Credit Linked N&C Security) or Tranching Recovery Index Credit Linked N&C Security (which is a type of Credit Linked N&C Security);

- (e) a Reverse Convertible Swap Rate Redemption N&C Security or Geared Put Swap Rate Redemption N&C Securities; or
- (f) an Auction to Cash Settled Credit Linked N&C Security (which is a type of Credit Linked N&C Security),

depending upon the Redemption/Payment Basis shown in the applicable Final Terms (each such N&C Security, a **Non-Exempt Redemption N&C Security**).

If this N&C Security is a Non-Exempt N&C Security, this N&C Security may also be a Finnish Security or a Swiss Security.

1.3 Coupons attached

Bearer N&C Securities are issued with Coupons attached, unless they are Zero Coupon N&C Securities in which case references to Coupons and Couponholders in the Conditions are not applicable.

1.4 Title to Bearer N&C Securities and Registered N&C Securities in definitive form

Subject as set out below, title to the Bearer N&C Securities, Receipts and Coupons will pass by delivery and title to the Registered N&C Securities will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantors and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer N&C Security, Receipt or Coupon and the registered holder of any Registered N&C Securities as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

1.5 Title to Securities represented by a Global N&C Security

For so long as any of the N&C Securities is represented by a Global N&C Security held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount or number of units of such N&C Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount or number of units of such N&C Securities 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 (in the case of Guaranteed N&C Securities) and the Agents as the holder of such nominal amount or number of units of such N&C Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount or number of units of such N&C Securities, for which purpose the bearer of the relevant Global N&C Security in bearer form or the registered holder of the relevant Global N&C Security in registered form shall be treated by the Issuer, the Guarantor (in the case of Guaranteed N&C Securities) and any Agent as the holder of such nominal amount or number of units of such N&C Securities in accordance with and subject to the terms of the relevant Global N&C Security and the expressions **Securityholder** and **holder of N&C Securities** and related expressions shall be construed accordingly.

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

N&C Securities which are represented by a Global N&C Security will be transferable only in accordance with the rules and procedures for the time being of DTC or Euroclear and/or Clearstream, Luxembourg, as the case may be. References herein to DTC, Euroclear and/or Clearstream, Luxembourg will, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms or in the case of Exempt N&C Securities only, as may otherwise be approved by the Issuer, the Guarantor (in the case of Guaranteed N&C Securities) and the Principal Agent. The term **Clearing System** shall mean each of DTC, Euroclear, Clearstream, Luxembourg or any additional or alternative clearing system specified in Part B of the applicable Final Terms or, in the case of Exempt N&C Securities only, as may otherwise be approved by the Issuer, the Guarantor (in the case of Guaranteed N&C Securities) and the Principal Agent, in each case as applicable.

2. TRANSFERS OF N&C SECURITIES IN REGISTERED FORM

2.1 Transfers of interests in Global N&C Securities

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

2.2 Transfers of Registered N&C Securities in definitive form

Subject as provided in paragraphs 2.3, 2.4 and 2.6 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered N&C Security in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the definitive Registered N&C Security for registration of the transfer of that Registered N&C Security (or the relevant part of that Registered N&C Security) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (ii) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe, the initial such regulations being set out in Schedule 13 to the Agency Agreement. Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), 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 Registered N&C Security in definitive form of a like aggregate nominal amount to the Registered N&C Security (or the relevant part of the Registered N&C Security) transferred. In the case of the transfer of part only of a Registered N&C Security in definitive form, a new definitive Registered N&C Security in respect of the balance

of the Registered N&C Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of N&C Securities under Condition 8, the Issuer shall not be required to register the transfer of any Registered N&C Security in definitive form, or part of a Registered N&C Security in definitive form, called for partial redemption.

2.4 Costs of registration

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

2.5 Transfers of interests in Regulation S Global N&C Securities

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

- 2.5.1** upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of any Transfer Agent, from the transferor of the N&C Security or the beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB that is also a QP in a transaction meeting the requirements of Rule 144A; or
- 2.5.2** otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with (1) any applicable securities laws of any State of the United States or any other jurisdiction and (2) any applicable restriction on transfer imposed by the CEA.

2.6 Transfers of interests in Legended N&C Securities

Transfers of Legended N&C Securities (as defined below) or beneficial interests therein may be made:

- 2.6.1** to a transferee who takes delivery of such interest through a Regulation S Global N&C Security, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global N&C Security registered in the name of a nominee for DTC, the interests in the N&C Securities being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg;
- 2.6.2** to a transferee who takes delivery of such interest through a Legended N&C Security where the transferee is a person whom the transferor reasonably believes is a QIB that is also a QP in a transaction meeting the requirements of Rule 144A, without certification; or
- 2.6.3** otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with (1) any applicable securities laws of any State of the United States or any other jurisdiction and (2) any applicable restriction on transfer imposed by the CEA.

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

2.7 Definitions

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

CEA means the United States Commodity Exchange Act of 1936, as amended;

CFTC means the United States Commodity Futures Trading Commission;

Legended N&C Security means N&C Securities in registered form (whether in definitive registered form or represented by a Global N&C Security) sold in private transactions to QIBs that are also QPs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a **Legend**);

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

QP means a **qualified purchaser** as defined in the United States Investment Company Act of 1940, as amended;

Regulation S means Regulation S under the Securities Act;

Regulation S Global N&C Security means a Global N&C Security in registered form representing N&C Securities sold outside the United States in reliance on Regulation S;

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

Securities Act means the United States Securities Act of 1933, as amended;

U.S. person means any person who is a "U.S. person" as defined in Regulation S under the Securities Act;

U.S. Person means any person who is (i) a "U.S. person" as defined in Regulation S; (ii) a person other than a "Non-United States person" as defined in Rule 4.7 under the CEA; (iii) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the CFTC, or the final rule relating to Cross-Border Application of the Registration Thresholds and Certain Requirements Applicable to Swap Dealers and Major Swap Participants promulgated by the CFTC, in each case as amended, modified or supplemented from time to time, pursuant to the CEA; (iv) any other "U.S. person" as such term may be defined in Regulation S or in regulations or guidance adopted under the CEA; or (v) a "United States person" as defined in the United States Internal Revenue Code of 1986, as amended and the United States Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time; and

United States means the United States of America, including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction.

3. STATUS OF THE N&C SECURITIES AND THE GUARANTEE

3.1 Status of the N&C Securities

The N&C Securities and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1) unsecured obligations of the Issuer and rank *pari passu* and without prejudice among themselves and (subject as aforesaid and save for such exceptions as may be provided by applicable legislation) at least equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

3.2 Status of the Guarantee

In respect of Guaranteed N&C Securities, the payment of principal, interest and all other amounts payable or deliverable in respect of the N&C Securities by the Issuer are unconditionally and irrevocably guaranteed under the Guarantee by the relevant Guarantor or, in the case of the NIHK/NHI Joint Guarantee, the relevant Guarantors. The obligations of each Guarantor under the relevant Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.2) unsecured obligations of the Guarantor and will (subject as aforesaid and save for obligations in respect of national and local taxes and certain other statutory exceptions) at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

4. NEGATIVE PLEDGE

4.1 Issuer

The Issuer undertakes that it will not, so long as any of the N&C Securities remain Outstanding (as defined in the Agency Agreement), create or have outstanding any mortgage, charge, pledge or other security interest upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any of its own Indebtedness or to secure its guarantee of or any indemnity in respect of any Indebtedness of any third party for the benefit of the existing or future holders thereof, without at the same time either securing the N&C Securities at least equally and rateably with such Indebtedness or, as the case may be, such guarantee or indemnity or according to the N&C Securities such other security or guarantee as shall have been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Securityholders for the time being. As used in this paragraph, **Indebtedness** means any indebtedness represented by securities which have a maturity of greater than one year and are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market in the jurisdiction of incorporation of the Issuer (the **Issuer's Jurisdiction**).

4.2 Guarantor

Each Guarantor undertakes that so long as any of the Guaranteed N&C Securities for which it is specified as the Guarantor in the applicable Final Terms remain Outstanding, it will not create or permit to be outstanding any mortgage, charge, pledge or other security interest upon the whole or any part of its property, assets or revenues, present or future, to secure for the benefit of the holders of any securities (i) payment of any sum due in respect of any securities or (ii) any payment under any guarantee of securities or (iii) any payment under any indemnity or other like obligation relating to securities, in any such case in which:

- 4.2.1** either such securities are by their terms payable, or confer a right to receive payment, in any currency other than the currency of the jurisdiction of incorporation of the relevant Guarantor (the **Guarantor's Currency**) which, in each case, is Japanese Yen, or such securities are denominated in the Guarantor's Currency and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside the jurisdiction of incorporation of the relevant Guarantor (the **Guarantor's Jurisdiction**) which, in each case, is Japan, by or with the authorisation of the relevant Guarantor or (if not the Guarantor) the Issuer; and
- 4.2.2** such securities are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market outside the Guarantor's Jurisdiction,

without in any such case at the same time according to the Guarantee either the same security as is granted to or is outstanding in respect of such securities, guarantee, indemnity or other like obligation or such other security or guarantee as shall be approved by an Extraordinary Resolution of the Securityholders.

As used in this paragraph, **securities** means bonds, debentures, notes or other similar investment securities of the Issuer or the relevant Guarantor or any other person with a stated maturity of more than one year from the creation thereof.

5. REDENOMINATION

This Condition 5 is only applicable to Exempt N&C Securities

5.1 Redenomination

Redenomination may be specified as applicable in the applicable Pricing Supplement for a Series of Exempt N&C Securities. If redenomination is so specified as applicable, the Issuer may, without the consent of the Securityholders, the Receiptholders and the Couponholders, on giving prior notice to the Principal Agent, Euroclear and Clearstream, Luxembourg or the Registrar and DTC, as applicable, and at least 30 days' prior notice to the Securityholders in accordance with Condition 16 below, elect that, with effect from the Redenomination Date specified in the notice, the N&C Securities shall be redenominated in euro.

The election will have effect as follows:

- 5.1.1** the N&C Securities and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each N&C Security and Receipt equal to the nominal amount of that N&C Security or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Agent or the Registrar, as applicable, 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 Securityholders, the stock exchange (if any) on which the N&C Securities may be listed and the Agents of such deemed amendments;
- 5.1.2** save to the extent that an Exchange Notice has been given in accordance with paragraph 5.1.4 below, the amount of interest due in respect of the N&C Securities will be calculated by reference to the aggregate nominal amount of N&C Securities held (or, as the case may be, in respect of which Coupons are presented for payment) by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

- 5.1.3** if definitive N&C Securities are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Agent, as applicable, may approve) euro 0.01 and such other denominations as the Principal Agent, as applicable, shall determine and notify to the Securityholders;
- 5.1.4** if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the N&C Securities) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated N&C Securities, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any N&C Securities and Receipts so issued will also become void on that date although those N&C Securities and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated N&C Securities, Receipts and Coupons will be issued in exchange for N&C Securities, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Agent, as applicable, may specify and as shall be notified to the Securityholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the N&C Securities;
- 5.1.5** after the Redenomination Date, all payments in respect of the N&C Securities, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the N&C Securities 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;
- 5.1.6** if the N&C Securities are Fixed Rate N&C Securities and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on a Coupon Payment Date, it will be calculated:
- 5.1.6.1 in the case of the N&C Securities represented by a Global N&C Security, by applying the Rate of Interest to the aggregate outstanding nominal amount of the N&C Securities represented by such Global N&C Security; and
- 5.1.6.2 in the case of definitive N&C Securities, 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 N&C Security in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate N&C Security 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;
- 5.1.7** if the N&C Securities are Floating Rate N&C Securities, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- 5.1.8** on the basis of such other changes to the Conditions as the Issuer may decide, after consultation with the Principal Agent, as applicable, and as may be specified in the notice, to

take into account relevant features of the N&C Securities and/or conform it to conventions then applicable to instruments denominated in euro.

5.2 Definitions

In these Conditions, the following expressions have the following meanings:

Established Rate means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

Redenomination Date means (in the case of interest bearing N&C Securities) any date for payment of interest under the N&C Securities or (in the case of Zero Coupon N&C Securities) any date, in each case specified by the Issuer in the notice given to the Securityholders pursuant to paragraph 5.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

Treaty means the Treaty on the Functioning of the European Union, as amended.

6. INTEREST

The applicable Final Terms will indicate whether the N&C Securities are Fixed FX Interest N&C Securities, Equity Conditional Interest N&C Securities (which will also be Conditional Interest N&C Securities), Index Basket Conditional Interest N&C Securities (which will also be Conditional Interest N&C Securities), Multi-Rate Interest N&C Securities, Range Accrual Interest N&C Securities, Dual Range Accrual Interest N&C Securities, Leveraged Inflation Interest N&C Securities, Swap Rate Linked Interest N&C Securities, Tranching Zero Recovery Index Coupon Credit Linked N&C Securities or Tranching Recovery Index Coupon Credit Linked N&C Securities (each a form of Non-Exempt Interest N&C Securities), Fixed Rate N&C Securities, Floating Rate N&C Securities or Zero Coupon N&C Securities or, in the case of Exempt Securities, any other applicable interest basis.

Where the N&C Securities are specified to be Fixed Rate N&C Securities, the interest payable in respect of the N&C Securities will be calculated in accordance with Condition 6.2 below.

Where the N&C Securities are specified to be Floating Rate N&C Securities, the interest payable in respect of the N&C Securities will be calculated in accordance with Condition 6.3 below.

Where the N&C Securities are Non-Exempt Interest N&C Securities other than Tranching Zero Recovery Index Coupon Credit Linked N&C Securities or Tranching Recovery Index Coupon Credit Linked N&C Securities, the interest payable in respect of the N&C Securities will be calculated in accordance with Condition 6.3 below, other than the Rate of Interest, which will be calculated in accordance with the relevant paragraph of Condition 22.1 below.

Where the N&C Securities are Non-Exempt Interest N&C Securities which are Tranching Zero Recovery Index Coupon Credit Linked N&C Securities or Tranching Recovery Index Coupon Credit Linked N&C Securities, the interest payable in respect of the N&C Securities will be calculated in accordance with Condition 6.3 below, as amended by the relevant paragraph of Condition 22.1 below.

Where the N&C Securities are Exempt N&C Securities which are not also Fixed Rate N&C Securities or Floating Rate N&C Securities, the interest payable in respect of the N&C Securities will be calculated in accordance with Condition 6.4 below.

6.1 Day Count Fraction

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6:

6.1.1 if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

6.1.1.1 in the case of N&C Securities where the number of days in the Coupon Period (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

6.1.1.2 in the case of N&C Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

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

6.1.2 if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Coupon Period divided by 365 (or, if any portion of that Coupon Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Coupon Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Coupon Period falling in a non-leap year divided by 365);

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

6.1.4 if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Coupon Period divided by 365 or, where the last day of (but excluded from) the Coupon Period falls in a leap year, 366;

6.1.5 if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Coupon Period divided by 360;

6.1.6 if "**30/360 (ICMA)**" is specified in the applicable Final Terms, the number of days in the Coupon Period (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

6.1.7 if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Coupon Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Coupon Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Coupon Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Coupon Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Coupon Period falls;

D_1 is the first calendar day, expressed as a number, of the Coupon Period, unless such number is 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Coupon Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

- 6.1.8** if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Coupon Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Coupon Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Coupon Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Coupon Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Coupon Period falls;

D_1 is the first calendar day, expressed as a number, of the Coupon Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Coupon Period, unless such number would be 31, in which case D_2 will be 30; or

- 6.1.9** if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Coupon Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Coupon Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Coupon Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Coupon Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Coupon Period falls;

D₁ is the first calendar day, expressed as a number, of the Coupon 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 Coupon 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;

6.1.10 if "1/1" is specified in the applicable Final Terms, 1;

6.1.11 if "Calculation/252" is specified in the applicable Final Terms, the actual number of Calculation Days in the Coupon Period divided by 252, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \left(D_{\text{CDP}} / 252 \right)$$

where:

"Calculation Days" or "D_{CDP}" is the number of Business Days in the Coupon Period determined by reference to the Business Day Convention, if applicable; or

6.1.12 if "RBA Bond Basis" is specified in the applicable Final Terms:

- (a) if the Coupon Periods are three months in length (excluding any shorter or longer first and last Coupon Period), 0.25, except that if the first Coupon Period or the last Coupon Period is less than three months, "Actual/Actual(ISDA)" shall apply to that Coupon Period;
- (b) if the Coupon Periods are six months in length (excluding any shorter or longer first and last Coupon Period), 0.5, except that if the first Coupon Period or the last Coupon Period is less than six months, "Actual/Actual(ISDA)" shall apply to that Coupon Period; and
- (c) if the Coupon Periods are twelve months in length (excluding any shorter or longer first and last Coupon Period), 1, except that if the first Coupon Period or the last Coupon Period is less than twelve months, "Actual/Actual(ISDA)" shall apply to that Coupon Period.

In these Terms and Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Coupon Commencement Date or the last day of (but excluded from) the final Coupon Period is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

For the purposes of determining the Day Count Fraction in respect of any Fixed Rate N&C Securities, references in this Condition 6.1 to "Coupon Period" should be construed to refer to the relevant Fixed Coupon Period.

6.2 Interest on Fixed Rate N&C Securities

This Condition 6.2 applies to Fixed Rate N&C Securities only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 6.2 for full information on the manner in which interest is calculated on Fixed Rate N&C Securities. In particular, the applicable Final Terms will specify the Coupon Commencement Date, the Rate(s) of Interest, the Coupon Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate N&C Security bears interest from (and including) the Coupon Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Subject to Condition 6.5 below, interest will be payable in arrear on the Coupon Payment Date(s) in each year up to (and including) the Maturity Date.

If the N&C Securities are in definitive form except, in the case of Exempt N&C Securities only, as provided in the applicable Final Terms, the amount of interest payable on each Coupon Payment Date in respect of the Fixed Coupon Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Coupon Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, **Fixed Coupon Period** means the period from (and including) a Coupon Payment Date (or the Coupon Commencement Date) to (but excluding) the next (or first) Coupon Payment Date.

Except in the case of N&C Securities in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

6.2.1 in the case of Fixed Rate N&C Securities which are represented by a Global N&C Security, the aggregate outstanding nominal amount of the Fixed Rate N&C Securities represented by such Global N&C Security or, if they are Partly Paid N&C Securities, the aggregate amount paid up; or

6.2.2 in the case of Fixed Rate N&C Securities in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency or Settlement Currency, as applicable, 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 N&C Security in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate N&C Security 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.

6.3 Interest on Floating Rate N&C Securities and Non-Exempt Interest N&C Securities

This Condition 6.3 applies to Floating Rate N&C Securities and Non-Exempt Interest N&C Securities only. The applicable Final Terms contains provisions applicable to the determination of interest in respect of such N&C Securities and must be read in conjunction with this Condition 6.3 and, in the case of Non-Exempt Interest N&C Securities, the relevant paragraph of Condition 22.1 below for full

information on the manner in which interest is calculated on Floating Rate N&C Securities and Non-Exempt Interest N&C Securities. In particular, the applicable Final Terms will identify any Specified Coupon Payment Dates, any Coupon Accrual Dates, any Specified Period, the Coupon Commencement Date, any Business Day Convention and any Additional Business Centres. In respect of Floating Rate N&C Securities, the applicable Final Terms will specify whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Principal Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify, inter alia, the applicable Floating Rate Option, Designated Maturity (if applicable) and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Relevant Financial Centre, Coupon Determination Date(s) and Relevant Screen Page. In respect of Non-Exempt Interest Securities, the applicable Final Terms will also identify these items specified in the applicable paragraph of Condition 22.1 below.

6.3.1 Coupon Payment Dates

Subject to Condition 6.5 below, each Floating Rate N&C Security and Non-Exempt Interest N&C Security bears interest on its outstanding nominal amount and such interest will be payable in arrear on:

- (1) the Specified Coupon Payment Date(s) in each year specified in the applicable Final Terms; or
- (2) if no Specified Coupon Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Coupon Payment Date, a **Coupon Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Coupon Payment Date or, in the case of the first Coupon Payment Date, after the Coupon Commencement Date.

For N&C Securities other than Conditional Interest Securities, such interest will be payable in respect of each Coupon Period. In these Conditions, subject to Condition 6.5 below and as provided below, **Coupon Period** means (a) in the case of Floating Rate N&C Securities, the period from (and including) a Coupon Payment Date (or the Coupon Commencement Date) to (but excluding) the next (or first) Coupon Payment Date or (b) in the case of Non-Exempt Interest N&C Securities other than Tranching Zero Recovery Index Coupon Credit Linked N&C Securities or Tranching Recovery Index Coupon Credit Linked N&C Securities, the period from (and including) a Coupon Accrual Date (or the Coupon Commencement Date) to (but excluding) the next (or first) Coupon Accrual Date. The Coupon Accrual Date(s) (if applicable) will be the date(s) in each year specified as such in the applicable Final Terms (each a **Coupon Accrual Date**).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which a Coupon Payment Date should occur or (y) if any Coupon Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- 6.3.1.1 in any case where Specified Periods are specified in accordance with Condition 6.3.1(2) above, the Floating Rate Convention, such Coupon Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Coupon

Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Coupon Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Coupon Payment Date occurred; or

6.3.1.2 the Following Business Day Convention, such Coupon Payment Date shall be postponed to the next day which is a Business Day; or

6.3.1.3 the Modified Following Business Day Convention, such Coupon 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 Coupon Payment Date shall be brought forward to the immediately preceding Business Day; or

6.3.1.4 the Preceding Business Day Convention, such Coupon Payment Date shall be brought forward to the immediately preceding Business Day.

In the case of Credit Linked N&C Securities for which "Unadjusted Coupon Periods" is specified as applicable in the applicable Final Terms, for the purposes of determining a Coupon Period, any adjustment to a Coupon Payment Date pursuant to a Business Day Convention as provided above shall be disregarded.

In these Terms and Conditions:

Business Day means a day which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2) specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement for that system (**T2**) is open; and
- (c) either (1) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of each such relevant currency (which if the currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland or Hong Kong, respectively) and/or (2) in relation to any sum payable in euro, a day on which T2 is open;

London Business Day means any day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in London; and

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

6.3.2 *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate N&C Securities that are (a) Non-Exempt Securities or (b) Non-Exempt Interest N&C Securities which are Tranching Zero Recovery Index Coupon Credit Linked N&C Securities or Tranching Recovery Index Coupon Credit Linked N&C Securities, will be determined in accordance with this Condition 6.3.2. The Rate of Interest payable from time to time in respect of other Non-Exempt Interest N&C Securities will be determined in accordance with the relevant paragraph of Condition 22.1 below. The Rate of Interest payable from time to time in respect of Floating Rate N&C Securities that are Exempt Securities will be determined in the manner specified in the applicable Final Terms. The provisions of this Condition 6.3.2 are subject to the provisions of Conditions 6.3.8 and 8.12.

6.3.2.1 ISDA Determination for Floating Rate N&C Securities

Rate of Interest Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Coupon Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any) and multiplied by the Rate Multiplier (if any) specified in the applicable Final Terms. For the purposes of this sub-paragraph 6.3.2.1, **ISDA Rate** for a Coupon Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity, if applicable, is a period specified in the applicable Final Terms;
- (3) the relevant Reset Date is the day specified in the applicable Final Terms; and
- (4) the relevant Payment Date is the relevant Coupon Payment Date,

provided that if the 2021 Definitions apply:

- (i) where (i) 'Generic Fallback Provisions' is specified in the Floating Rate Matrix as the relevant Permanent Cessation Fallback in respect of the relevant Floating Rate Option, following the occurrence of the relevant Permanent Cessation Trigger in respect of such Floating Rate Option, or (ii) the 'Generic Fallback Provisions' apply pursuant to the 'Bespoke Triggers and Fallbacks' in respect of the relevant Floating Rate Option, an Administrator/Benchmark Event (as defined in Condition 8.12) shall be deemed to have occurred on the same date as such Permanent Cessation Trigger or (as applicable) the date on which such Generic Fallback Provisions apply pursuant to such Bespoke Triggers and Fallbacks, and the provisions of Condition 8.12 (*Adjustment or Redemption following an Administrator/Benchmark Event*) below shall apply in place of such Generic Fallback Provisions;
- (ii) where Administrator/Benchmark Event is specified in the Floating Rate Matrix as applicable in respect of the relevant Floating Rate Option, the provisions of Condition 8.12 (*Adjustment or Redemption following an Administrator/Benchmark Event*)

below shall apply in place of the provisions relating to Administrator/Benchmark Event and the Administrator/Benchmark Event Fallback in the 2021 Definitions;

- (iii) where an ISDA Rate would otherwise be determined by reference to Linear Interpolation pursuant to the Discontinued Rates Maturities provisions, an Administrator/Benchmark Event (as defined in Condition 8.12) shall be deemed to have occurred and the provisions of Condition 8.12 (*Adjustment or Redemption following an Administrator/Benchmark Event*) below shall apply in place of such Discontinued Rates Maturities provisions.

For the purposes of this sub-paragraph 6.3.2.1, terms used for the purpose of determining the relevant ISDA Rate under the ISDA Definitions shall have the meanings given to those terms in the ISDA Definitions.

References in the ISDA Definitions to:

- (i) numbers, financial centres, elections or other items specified in the relevant Confirmation shall be deemed to be references to the numbers, financial centres, elections or other items specified for such purpose in the applicable Final Terms (for which purposes any applicable reference in such Final Terms to "T2" shall be deemed to be to "TARGET Settlement Day"); and
- (ii) in the case of the 2021 Definitions:
 - the Trade Date shall be deemed to be to the Trade Date of the N&C Securities;
 - the Effective Date shall be deemed to be to the date specified as such in the applicable Final Terms;
 - the Termination Date shall be deemed to be to the date specified as such in the applicable Final Terms;
 - the Day Count Fraction and Floating Rate Day Count Fraction shall be deemed to be to that specified as the ISDA Day Count Fraction in the applicable Final Terms; and
 - a Period End Date shall be deemed to be to a Coupon Accrual Date, if Coupon Accrual Dates apply under the Floating Rate N&C Securities.

For this purpose, the relevant Coupon Determination Date will be deemed to be the day on which the relevant Rate of Interest is determined on the above basis.

Notwithstanding anything to the contrary in the ISDA Definitions:

- (i) the provisions of Condition 14.1 (Status of Calculation Agent) shall apply in relation to determinations made by the Calculation Agent pursuant to this sub-paragraph 6.3.2.1 and any such provision in the relevant ISDA Definitions shall be disregarded. In addition, all calculations and determinations made in respect of the N&C Securities by the Calculation Agent under the Terms and Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor and the Securityholders.
- (ii) for the avoidance of doubt, but notwithstanding anything to the contrary in the Terms and Conditions, any requirement under the ISDA Definitions for the Calculation Agent (as defined therein): (a) to give notice of a

determination made by it to any other party will be deemed to be a requirement for the Calculation Agent (as defined in these Terms and Conditions) to provide an equivalent notice to the Issuer; and (b) to consult with the other party or the parties will be deemed to be a requirement to consult with the Issuer. Any such notice or consultation may be given or carried out orally or in writing (including by electronic mail or communications). In addition the right of any party under the ISDA Definitions to require the Calculation Agent thereunder to take any action or fulfil any responsibility will be deemed to be solely the right of the Issuer to require this of the Calculation Agent in its discretion and no Securityholder will have any right to require the Issuer to do this; and

- (iii) any terms under the ISDA Definitions allowing for agreement between the parties to the relevant transaction will be deemed not to apply and where any terms of the ISDA Definitions provide for the parties to seek agreement between themselves, the parties will be deemed to have been unable to reach agreement and in each case the ISDA Definitions will be construed accordingly;
- (iv) in the event that the Calculation Agent determines that any Fixing Day or other day (each a **Fixing Date**) on which an ISDA Rate is determined under the ISDA Definitions is less than two Business Days prior to the relevant date originally scheduled for payment, the Calculation Agent may determine that such date for payment be delayed to a date falling not more than two Business Days after the relevant Fixing Date and Securityholders shall not be entitled to further interest or any other payment in respect of such delay; and
- (v) in respect of the 2021 Definitions only, in the event that the Correction Time Period applicable to an ISDA Rate ends later than two Business Days prior to the relevant date for payment, any corrections published after the second Business Day prior to the relevant date for payment shall be disregarded for the purposes of determining the relevant ISDA Rate.

If the Rate of Interest for the relevant Coupon Period cannot be determined in accordance with the above provisions, the Calculation Agent shall determine the relevant Rate of Interest by reference to such sources as it deems appropriate.

If any adjustment, fallback, modification, correction or replacement of a relevant rate, or adjustment or modification to a relevant date, applies pursuant to the ISDA Definitions or the reference interest rate swap transaction thereunder then, in relation thereto, the Calculation Agent may but shall not be required to (i) if it would not otherwise apply (as applicable) in relation to the determination of the ISDA Rate in accordance with the above provisions or in relation to any equivalent date under the N&C Securities, take into account any such any adjustment, fallback, modification, correction or replacement (including by reference to the hedging arrangements for the relevant series of N&C Securities) and (ii) make any related or consequential changes to the Terms and Conditions not otherwise provided for in this sub paragraph 6.3.2.1 (including without limitation any technical, administrative or operational changes, changes to the definition of "Coupon Period", timing and frequency of determining rates and making payments of interest, maturity, changes to the definition of Designated Maturity) that the Calculation Agent determines to be appropriate in a manner substantially consistent with market practice (or, if the Calculation Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent determines that no appropriate market practice

exists, in such other manner as the Calculation Agent determines is reasonably necessary).

The Minimum Rate of Interest shall be deemed to be zero, or, in the case of Exempt Securities only, such alternative Minimum Rate of Interest specified in the applicable Final Terms.

For the purposes of this sub paragraph 6.3.2.1, **ISDA Definitions** means (i) if "2006 ISDA Definitions" is specified in the applicable Final Terms, the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, (**ISDA**), as amended or supplemented from time to time (the **2006 Definitions**), or (ii) if "2021 ISDA Definitions" is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions published by ISDA as at the Issue Date of the first Tranche of the Floating Rate N&C Securities (the **2021 Definitions**), provided in each case that if the Calculation Agent determines this is appropriate by reference to the hedging arrangements for the relevant series of N&C Securities, ISDA Definitions will mean any successor definitional booklet to the 2006 Definitions or 2021 Definitions as applicable, each as supplemented or amended from time to time for interest rate derivatives, all as determined as of the date of the relevant determination under this Condition. Investors should consult the Issuer if they require a copy of these definitions and relevant supplements which in the case of the 2006 Definitions where applicable will include Supplement 70 to the 2006 ISDA Definitions referred to as the ISDA IBOR fallbacks supplement and the Calculation Agent may make such conforming changes to the Conditions as are necessary or appropriate to reflect the terms of the relevant successor definitional booklet or version.

Regulatory Obligation

If (a) it is or would be unlawful or prohibited under any applicable law or regulation to determine and calculate a replacement interest rate or make any other determination or adjustment in accordance with the ISDA Determination provisions set out above or the Adjustment or Redemption following an Administrator/Benchmark Event set out in Condition 8.12 below (each a **Rate Fallback Provision**) (or it would be unlawful were a determination to be made at that time); or (b) it would contravene any applicable licensing requirements to determine a replacement interest rate or make any other determination or adjustment in accordance with any applicable Rate Fallback Provision (or it would contravene those licensing requirements were a determination to be made at that time); or (c) the Calculation Agent determines that an adjustment spread (however described in the Rate Fallback Provisions) is or would be a benchmark, index or other price source whose production, publication, methodology or governance would subject the Calculation Agent to material additional regulatory obligations which it is unwilling to undertake, then the Calculation Agent shall not be obliged to make the relevant determination or adjustment and may instead take any alternative action under the Rate Fallback Provisions as it determines appropriate.

6.3.2.2 Screen Rate Determination for Floating Rate N&C Securities

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and save where the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SONIA, Compounded Daily SOFR, Compounded Daily €STR or Compounded Daily

SARON, the Rate of Interest for each Coupon Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such successor display page, other published source, information vendor source or other successor source, such other display page or other source as the Calculation Agent determines to be appropriate) as at 11.00 a.m. (Relevant Financial Centre time) on the Coupon Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any) and multiplied by the Rate Multiplier (if any) specified in the applicable Final Terms, all as determined by the Principal Agent or the Calculation Agent, as applicable. 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 Principal Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the case of Exempt N&C Securities that are Floating Rate N&C Securities, an alternative means for calculating the Rate of Interest may be specified in the applicable Final Terms in which case the Rate of Interest shall be calculated in accordance with such alternative approach specified in the Final Terms.

For the purposes of this Condition 6.3.2:

Specified Time means 11.00 a.m. Relevant Financial Centre time.

(A) SONIA

Compounded Daily SONIA – non Index Determination

Where Screen Rate Determination is specified for a Floating Rate N&C Security in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SONIA, the Rate of Interest for each Coupon Period will, subject as provided below and save where Index Determination applies, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Principal Agent or Calculation Agent as applicable (as specified in the applicable Final Terms) calculated as set out immediately below:

Compounded Daily SONIA means the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the reference rate for the calculation of interest) calculated by the Principal Agent or Calculation Agent as applicable on the Coupon Determination Date (as further specified in the applicable Final Terms) as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, or otherwise rounded in accordance with applicable market convention:

$$\left[\prod_{i=1}^{d_o} \left(1 + SONIA_{i-pLBD} \times \frac{n_i}{Day\ Count\ Basis} \right) - 1 \right] \times \frac{Day\ Count\ Basis}{d}$$

where:

d means the number of calendar days in (where in the applicable Final Terms "Lag" is specified as the Observation Method) the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant SONIA Observation Period;

d_o means (where in the applicable Final Terms "Lag" is specified as the Observation Method) for any Coupon Period, the number of London Business Days in the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) for any SONIA Observation Period, the number of London Business Days in the relevant SONIA Observation Period;

Day Count Basis means 365;

i means a series of whole numbers from 1 to ***d_o***, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day (where in the applicable Final Terms "Lag" is specified as the Observation Method) in the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the SONIA Observation Period;

London Business Day* or *LBD means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i, for any day ***i***, means the number of calendar days from and including such day ***i*** up to but excluding the following London Business Day;

Observation Look-Back Period means the SONIA Observation Period;

SONIA Observation Period means the period from and including the date falling ***p*** London Business Days prior to the first day of the relevant Coupon Period (and the first Coupon Period shall begin on and include the Coupon Commencement Date) and ending on, but excluding, the date falling ***p*** London Business Days prior to the day on which such Coupon Period ends but which by its definition is excluded from the Coupon Period;

p means (save as specified in the applicable Final Terms) the number of London Business Days included in the **Observation Look-Back Period** specified in the applicable Final Terms;

SONIA reference rate, in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such

authorised distributors (on the London Business Day immediately following such London Business Day); and

SONIA_{i-pLBD} means:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, (save as specified in the applicable Final Terms) in respect of any London Business Day *i* falling in the relevant Coupon Period, the SONIA reference rate for the London Business Day falling *p* London Business Days prior to such day; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, (save as specified in the applicable Final Terms) SONIA_{*i*}, where SONIA_{*i*} is, in respect of any London Business Day *i* falling in the relevant SONIA Observation Period, the SONIA reference rate for such day.

Compounded Daily SONIA – Index Determination

Where Screen Rate Determination is specified for a Floating Rate N&C Security in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SONIA, and Index Determination is specified, the Rate of Interest for each Coupon Period will be calculated by reference to the screen rate or index administered by the administrator of the Sterling Overnight Index Average reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the relevant determination dates specified below, as further specified in the applicable Final Terms (the **SONIA Compounded Index**) and the following formula. For the avoidance of doubt, such Rate of Interest will be plus or minus (as indicated in the applicable Final Terms) the Margin (if any) as calculated by the Principal Agent or Calculation Agent as applicable (as specified in the applicable Final Terms).

$$\text{Compounded Daily SONIA rate} = \left(\frac{\text{SONIA Compounded Index}_y}{\text{SONIA Compounded Index}_x} - 1 \right) \times \frac{365}{d}$$

Where:

x denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Business Days prior to the first day of the relevant Coupon Period;

y denotes that the relevant SONIA Compounded Index is the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Business Days prior to the day on which the relevant Coupon Period ends (but which its definition is excluded from the Coupon Period);

d is the number of calendar days from (and including) the day in relation to which *x* is determined to (but excluding) the day in relation to which *y* is determined; and

Relevant Number is as specified in the applicable Final Terms.

(B) SOFR

Compounded Daily SOFR – non Index Determination

Where Screen Rate Determination is specified for a Floating Rate N&C Security in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR, the Rate of Interest for each Coupon Period will, subject as provided below and save where Index Determination applies, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Principal Agent or Calculation Agent as applicable (as specified in the applicable Final Terms) calculated as set out immediately below:

Compounded Daily SOFR means the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the reference rate for the calculation of interest) calculated by the Principal Agent or Calculation Agent as applicable (as specified in the applicable Final Terms) on the Coupon Determination Date (as further specified in the applicable Final Terms) as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, or otherwise rounded in accordance with applicable market convention:

$$\left[\prod_{i=1}^{d_0} \left(1 + SOFR_{i-pUSBD} \times \frac{n_i}{Day\ Count\ Basis} \right) - 1 \right] \times \frac{Day\ Count\ Basis}{d}$$

where:

d means the number of calendar days in (where in the applicable Final Terms "Lag" is specified as the Observation Method) the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant SOFR Observation Period;

d₀, means (where in the applicable Final Terms "Lag" is specified as the Observation Method) for any Coupon Period, the number of U.S. Government Securities Business Days in the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) for any SOFR Observation Period, the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

Day Count Basis means 360;

i means a series of whole numbers from 1 to *d₀*, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day (where in the applicable Final Terms "Lag" is specified as the Observation Method) in the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the SOFR Observation Period;

n_i, for any U.S. Government Securities Business Day, means the number of calendar days from and including, such U.S. Government Securities Business

Day up to but excluding the following U.S. Government Securities Business Day;

Observation Look-Back Period means the SOFR Observation Period;

p means (save as specified in the applicable Final Terms) the number of U.S. Government Securities Business Days included in the Observation Look-Back Period specified in the applicable Final Terms;

SOFR reference rate, in respect of any U.S. Government Securities Business Day ("USBDx"), is a reference rate equal to the daily secured overnight financing ("SOFR") rate for such USBDx as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website for the publication of such rate (the "**New York Fed's Website**") (in each case, on or about 5:00 p.m., New York City time, on the U.S. Government Securities Business Day immediately following such USBDx) or if the New York Fed's Website is unavailable as otherwise published by or on behalf of the relevant administrator;

SOFR_{i-pUSBD} means:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day *i* falling in the relevant Coupon Period, the SOFR for the U.S. Government Securities Business Day falling *p* U.S. Government Securities Business Days prior to such day; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, (save as specified in the applicable Final Terms) SOFR_i, where SOFR_i is, in respect of any U.S. Government Securities Business Day *i* falling in the relevant SOFR Observation Period, the SOFR for such day; and

SOFR Observation Period means in respect of each Coupon Period, the period from and including the date falling *p* U.S. Government Securities Business Days preceding the first date in such Coupon Period to but excluding the date *p* U.S. Government Securities Business Days preceding the day on which such Coupon Period ends but which by its definition is excluded from the Coupon Period.

U.S. Government Securities Business Day or **USBD** means any day, except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Compounded Daily SOFR – Index Determination

Where Screen Rate Determination is specified for a Floating Rate N&C Security in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR, and Index Determination is

specified, the Rate of Interest for each Coupon Period will be calculated by reference to the screen rate or index administered by the administrator of the Secured Overnight Financing Rate reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the relevant determination dates specified below, as further specified in the applicable Final Terms (the **SOFR Compounded Index**) and the following formula. For the avoidance of doubt, such Rate of Interest will be plus or minus (as indicated in the applicable Final Terms) the Margin (if any) as calculated by the Principal Agent or Calculation Agent as applicable (as specified in the applicable Final Terms).

$$\text{Compounded Daily SOFR rate} = \left(\frac{\text{SOFR Compounded Index}_y}{\text{SOFR Compounded Index}_x} - 1 \right) \times \frac{360}{d}$$

Where:

x denotes that the relevant SOFR Compounded Index is the SOFR Compounded Index determined in relation to the day falling the Relevant Number of U.S. Government Securities Business Days prior to the first day of the relevant Coupon Period;

y denotes that the relevant SOFR Compounded Index is the SOFR Compounded Index determined in relation to the day falling the Relevant Number of U.S. Government Securities Business Days prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period);

d is the number of calendar days in the relevant Coupon Period;

Relevant Number is as specified in the applicable Final Terms.

(C) **€STR**

Where Screen Rate Determination is specified for a Floating Rate Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such note, and the Reference Rate is specified in the applicable Final Terms as being Compounded Daily €STR, the Rate of Interest for each Coupon Period will, subject as provided below, be Compounded Daily €STR plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Principal Paying Agent or Calculation Agent, as applicable (as specified in the applicable Final Terms) calculated as immediately set out below.

Compounded Daily €STR means, with respect to a Coupon Period, the rate of return of a daily compound interest investment (with the daily euro short term rate as the reference rate for the calculation of interest) calculated by the Principal Agent or Calculation Agent, as applicable (as specified in the applicable Final Terms) on the relevant Coupon Determination Date, as follows, and the resulting percentage will be rounded if necessary to the nearest fourth decimal place, with 0.00005 being rounded upwards, or otherwise rounded in accordance with applicable market convention:

$$\left[\prod_{i=1}^{d_o} \left(1 + \text{Relevant } \text{€STR}_i \times \frac{n_i}{\text{Day Count Basis}} \right) - 1 \right] \times \frac{\text{Day Count Basis}}{d}$$

Definitions

d is the number of calendar days in (where in the applicable Final Terms "Lag" is specified as the Observation Method) the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant €STR Observation Period;

d_o is the number of T2 Business Days in (where in the applicable Final Terms "Lag" is specified as the Observation Method) the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant €STR Observation Period;

Day Count Basis means 360;

€STR with respect to any day means the euro short term rate published for such day by the European Central Bank, as the administrator of such rate (or a successor administrator), on the ECB's Website;

€STR Observation Period means the period from (and including) the day falling "p" T2 Business Days prior to the first day of the relevant Coupon Period to (but excluding) the day falling "p" T2 Business Days prior to the day on which such Coupon Period ends but which by its definition is excluded from the Coupon Period

€STR reference rate, in respect of any T2 Business Day, is a reference rate equal to the daily euro short term (***€STR***) rate for such T2 Business Day as provided by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) on the website of the European Central Bank at <https://www.ecb.europa.eu/home/html/index.en.html>, or any successor website for the publication of such rate (the **ECB's Website**) on such T2 Business Day or if the ECB's Website is unavailable as otherwise published by or on behalf of the relevant administrator;

€STR_{i-pTBD} means, in respect of any T2 Business Day "i", the €STR reference rate for the T2 Business Day falling "p" T2 Business Days prior to the relevant T2 Business Day "i";

i is a series of whole numbers from one to ***d_o***, each representing the relevant T2 Business Day in chronological order from, and including, the first T2 Business Day in (where in the applicable Final Terms "Lag" is specified as the Observation Method) the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant €STR Observation Period;

n_i, for any T2 Business Day "i", means the number of calendar days from and including such T2 Business Day "i" up to but excluding the following T2 Business Day;

Observation Look-Back Period means the €STR Observation Period;

p means (save as specified in the applicable Final Terms) the number of T2 Business Days included in the **Observation Look-Back Period** specified in the applicable Final Terms;

Relevant €STR_i means, in respect of any T2 Business Day "i":

- (a) where "Lag" is specified as the Observation Method in the applicable Final Terms, €STR_{i-pTBD}; or
- (b) where "Shift" is specified as the Observation Method in the applicable Final Terms, €STR_i-, where €STR_i- is, in respect of any T2 Business Day i falling in the relevant €STR Observation Period, the €STR reference rate for such day;

T2 Business Day means a day on which T2 is open; and

TBD means a T2 Business Day.

(D) SARON

Compounded Daily SARON – non Index Determination

Where Screen Rate Determination is specified for a Floating Rate N&C Security in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SARON, the Rate of Interest for each Coupon Period will, subject as provided below and save where Index Determination applies, be Compounded Daily SARON plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Principal Agent or Calculation Agent as applicable (as specified in the applicable Final Terms) calculated as set out immediately below:

Compounded Daily SARON means the rate of return of a daily compound interest investment (with the daily overnight interest rate of the secured funding market for Swiss franc as the reference rate for the calculation of interest) calculated by the Principal Agent or Calculation Agent as applicable (as specified in the applicable Final Terms) on the Coupon Determination Date (as further specified in the applicable Final Terms) as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards, or otherwise rounded in accordance with applicable market convention:

$$\left[\prod_{i=1}^{d_0} \left(1 + SARON_{i-pZBD} \times \frac{n_i}{Day\ Count\ Basis} \right) - 1 \right] \times \frac{Day\ Count\ Basis}{d_c}$$

where:

d₀ means (where in the applicable Final Terms "Lag" is specified as the Observation Method) for any Coupon Period, the number of Zurich Business Days in the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) for any SARON Observation

Period, the number of Zurich Business Days in the relevant SARON Observation Period;

d_c is the number of calendar days (where in the applicable Final Terms "Lag" is specified as the Observation Method) the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant SARON Observation Period;

Day Count Basis means 360;

i is a series of whole numbers from one to d_0 , each representing the relevant Zurich Business Days in chronological order from, and including, the first Zurich Business Day (where in the applicable Final Terms "Lag" is specified as the Observation Method) in the relevant Coupon Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the SARON Observation Period;

n_i , for any Zurich Business Day " i ", means the number of calendar days from and including such Zurich Business Day " i " up to but excluding the first following Zurich Business Day;

Observation Look-Back Period means the SARON Observation Period;

p means (save as specified in the applicable Final Terms) the number of Zurich Business Days included in the Observation Look-Back Period specified in the applicable Final Terms;

Relevant Time means, in respect of any Zurich Business Day, close of trading on the trading platform of SIX Repo AG (or any successor thereto) on such Zurich Business Day, which is expected to be at or around 6:00 p.m. (Zurich time);

SARON reference rate means, in respect of any Zurich Business Day, the Swiss Average Rate Overnight (SARON) for such Zurich Business Day published by the SARON Administrator on the SARON Administrator Website at the Relevant Time on such Zurich Business Day;

SARON Administrator means SIX Index AG (including any successor thereto) or any successor administrator of SARON.

SARON Administrator Website means the website of the SIX Group, or any successor website or other source on which SARON is published by or on behalf of the SARON Administrator.

SARON_{i-pZBD} means:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, (save as specified in the applicable Final Terms) in respect of any Zurich Business Day i falling in the relevant Coupon Period, the SARON reference rate for the Zurich Business Day falling p Zurich Business Days prior to such day; or
- (b) where in the applicable Final Terms "Shift" is specified as the Observation Method, (save as specified in the applicable Final Terms) SARON _{i} , where SARON _{i} is, in respect of any Zurich Business Day i

falling in the relevant SARON Observation Period, the SARON reference rate for such day.

SARON Observation Period means, the period from and including the date falling "p" Zurich Business Days prior to the first day of the relevant Coupon Period (and the first Coupon Period shall begin on and include the Coupon Commencement Date) and ending on, but excluding, the date falling "p" Zurich Business Days prior to the day on which such Coupon Period ends but which by its definition is excluded from the Coupon Period;

Zurich Business Day or ZBD means any day (other than a Saturday and Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Zurich.

Compounded Daily SARON – Index Determination

Where Screen Rate Determination is specified for a Floating Rate N&C Security in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SARON and Index Determination is specified, the Rate of Interest for each Coupon Period will be calculated by reference to the level of the index measuring the change in the returns from a rolling unit of investment earning compound interest each day at SARON (known as the SARON Compounded Index) administered by SIX Index AG (or any successor administrator) that is published or displayed by such administrator from time to time at the relevant time on the relevant determination dates specified below, as further specified in the applicable Final Terms (the **SARON Compounded Index**) and the following formula and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards. For the avoidance of doubt, such Rate of Interest will be plus or minus (as indicated in the applicable Final Terms) the Margin (if any) as calculated by the Principal Agent or Calculation Agent as applicable (as specified in the applicable Final Terms).

Compounded Daily SARON rate =

$$\left(\frac{\text{SARON Compounded Index}_y}{\text{SARON Compounded Index}_x} - 1 \right) \times \left(\frac{360}{d} \right)$$

where:

x denotes that the relevant SARON Compounded Index is the SARON Compounded Index determined in relation to the day falling the Relevant Number of Zurich Business Days prior to the first day of the relevant Coupon Period;

y denotes that the relevant SARON Compounded Index is the SARON Compounded Index determined in relation to the day falling the Relevant Number of Zurich Business Days prior to the day on which the relevant Coupon Period ends (but which by its definition is excluded from the Coupon Period);

d is the number of calendar days in the relevant Coupon Period;

Relevant Number is as specified in the applicable Final Terms;

Zurich Business Day means a day on which commercial banks and foreign exchange markets are open for general business (including settling payments and dealings in foreign exchange and foreign currency deposits) in Zurich.

6.3.3 *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Coupon Period, then, in the event that the Rate of Interest in respect of such Coupon Period determined in accordance with the provisions of paragraph 6.3.2 above is less than such Minimum Rate of Interest, the Rate of Interest for such Coupon Period shall be such Minimum Rate of Interest. The Rate of Interest in any event may not be less than zero.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Coupon Period, then, in the event that the Rate of Interest in respect of such Coupon Period determined in accordance with the provisions of paragraph 6.3.2 above is greater than such Maximum Rate of Interest, the Rate of Interest for such Coupon Period shall be such Maximum Rate of Interest.

6.3.4 *Determination of Rate of Interest and Calculation of Coupon Amounts*

The Calculation Agent will, at or as soon as reasonably practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Coupon Period or, in the case of Conditional Interest N&C Securities, Coupon Payment Date. The Calculation Agent will notify the Principal Agent of the Rate of Interest for the relevant Coupon Period or, in the case of Conditional Interest N&C Securities, Coupon Payment Date as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the **Coupon Amount**) payable on the N&C Securities for the relevant Coupon Period or, in the case of Conditional Interest N&C Securities, Coupon Payment Date by applying the Rate of Interest to:

6.3.4.1 in the case of Floating Rate N&C Securities and Non-Exempt Interest N&C Securities that are represented by a Global N&C Security:

- (a) if "Per Calculation Amount" is specified as the relevant Coupon Calculation Basis in the applicable Final Terms, the Calculation Amount; or
- (b) if "Aggregate Nominal Amount" is specified as the relevant Coupon Calculation Basis in the applicable Final Terms or if no Coupon Calculation Basis is specified in the applicable Final Terms, the aggregate outstanding nominal amount of the N&C Securities represented by such Global N&C Security (or, if they are Partly Paid N&C Securities, the aggregate amount paid up); or

6.3.4.2 in the case of Floating Rate N&C Securities and Non-Exempt Interest N&C Securities in definitive form, the Calculation Amount,

and, in each case other than for Conditional Interest N&C Securities, multiplying such sum by the applicable Day Count Fraction, and, in each case, rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency or Settlement Currency, as applicable, 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 N&C Security or a Non-Exempt Interest N&C Security in definitive form is a multiple of the Calculation

Amount, the Coupon Amount payable in respect of such N&C Security 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 Agent of the Coupon Amount for the relevant Coupon Period or, in the case of Conditional Interest N&C Securities, Coupon Payment Date as soon as practicable after calculating the same.

6.3.5 *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of a Coupon Period in the applicable Final Terms, the Rate of Interest for such Coupon Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity (if applicable) were the period of time for which rates are available next shorter than the length of the relevant Coupon Period and the other of which shall be determined as if the Designated Maturity (if applicable) were the period of time for which rates are available next longer than the length of the relevant Coupon Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

In these Terms and Conditions:

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate; and

Reference Rate has the meaning given to it in the applicable Final Terms.

6.3.6 *Notification of Rate of Interest and Coupon Amounts*

The Principal Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Coupon Amount for each Coupon Period or, in the case of Conditional Interest N&C Securities, Coupon Payment Date and the relevant Coupon Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate N&C Securities or Non-Exempt Interest N&C Securities are for the time being listed and notice thereof to be published in accordance with Condition 16 as soon as reasonably practicable after their determination but in no event later than the fourth London Business Day thereafter. Each Coupon Amount and Coupon 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 Coupon Period. Any such amendment will as soon as reasonably practicable be notified to each stock exchange on which the relevant Floating Rate N&C Securities or Non-Exempt Interest N&C Securities are for the time being listed and to the Securityholders in accordance with Condition 16. For the purposes of this paragraph 6.3.6, 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.

6.3.7 *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.3, whether by the Principal Agent or, if applicable, the Calculation Agent, shall

(in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (in the case of Guaranteed N&C Securities), the Principal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Securityholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor (in the case of Guaranteed N&C Securities), the Securityholders, the Receiptholders or the Couponholders shall attach to the Principal 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.

6.3.8 *Fallbacks*

6.3.8.1 *Effect of Benchmark Transition Event on a Relevant Benchmark linked Floating Rate N&C Security*

Notwithstanding any other provision to the contrary in these Terms and Conditions and in relation only to a Series of Vanilla Floating Rate N&C Securities (as such term is defined in N&C Securities Condition 6.3.8.3) and the related Relevant Benchmark, if the Calculation Agent determines on or prior to such relevant determination date that a Benchmark Transition Event has occurred with respect to a Relevant Benchmark, then the Calculation Agent shall be obliged, without the consent or sanction of the Securityholders (including without the requirement to provide to Securityholders an opportunity to object) to modify these Terms and Conditions and/or take any other appropriate actions, in each case on the following basis solely with respect to such Series of Vanilla Floating Rate N&C Securities calculated by reference to such a Relevant Benchmark and in relation only to determinations of the rate of interest payable on such Series of Floating Rate N&C Securities:

- (1) If the Calculation Agent determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Relevant Benchmark on any date applicable to the relevant Floating Rate N&C Securities, the Benchmark Replacement will replace the then-current Relevant Benchmark for all purposes relating to the relevant Floating Rate N&C Securities calculated by reference to a Relevant Benchmark in respect of such determination on such date and all determinations on all subsequent dates.
- (2) In connection with the implementation of a Benchmark Replacement with respect to the relevant Floating Rate N&C Securities, the Calculation Agent will have the right to make Benchmark Replacement Conforming Changes with respect to the relevant Floating Rate N&C Securities calculated by reference to a Relevant Benchmark from time to time.
- (3) Any determination, decision or election that may be made by the Calculation Agent pursuant to this Condition 6.3.8, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to the relevant Floating Rate N&C Securities, will be conclusive and binding absent manifest error, will be made by the Calculation Agent acting in good faith and a commercially reasonable manner, and, notwithstanding anything to the contrary in the documentation relating to the relevant Floating Rate N&C Securities, shall become effective without consent, sanction or absence of objection from any other party (including Securityholders).
- (4) To the extent that there is any inconsistency between this Condition and any other Terms and Conditions, this Condition 6.3.8 shall prevail with respect to any Vanilla Floating Rate N&C Securities calculated by reference to a Relevant Benchmark.

- (5) For the avoidance of doubt, the Calculation Agent may determine that a Benchmark Replacement replace the then-current Relevant Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this Condition 6.3.8 are satisfied.
- (6) Where a Benchmark Transition Event or details of it are announced prior to the relevant Benchmark Replacement Date then the Calculation Agent may on or after such earlier announcement date give notice to Securityholders of the relevant changes which will be made to the N&C Securities provided that such changes will only take effect as of the Benchmark Replacement Date and that the Calculation Agent may in its option determine that it is appropriate to delay publication of the relevant notice if it determines the Benchmark Transition Event is not then material for the N&C Securities and this will not prevent the Calculation Agent applying consequences under this Condition in the future in relation to the occurrence of the relevant Benchmark Transition Event. For the avoidance of doubt, the Calculation may make all determinations and/or adjustments and take all actions in respect of the N&C Securities as are provided for in connection with a Benchmark Transition Event, irrespective of the fact that such event may have occurred prior to the Issue Date.

6.3.8.2 Effect of no Benchmark Transition Event on a Relevant Benchmark linked Floating Rate N&C Securities

If, by the relevant Reference Time of the Relevant Benchmark on a relevant determination date, the Relevant Benchmark is unavailable in respect of such determination date and a Benchmark Transition Event has not occurred, then the rate for such determination date will be the Relevant Benchmark, where applicable of the Corresponding Tenor, as provided by the administrator of the Relevant Benchmark and published by an alternative authorised distributor or by or on behalf of the administrator of the Relevant Benchmark itself. If no such rate has been published by the Rate Cut-Off Time specified in the applicable Final Terms (or if no time is so specified, 4 p.m. (London time)), then the rate for such determination date will be the rate determined by the Calculation Agent to be a commercially reasonable alternative for the Relevant Benchmark by applying one of the following rates:

- (1) a rate formally recommended for use by the administrator of the Relevant Benchmark;
or
- (2) a rate formally recommended for use by the Relevant Governmental Body or any other supervisor which is responsible for supervising the Relevant Benchmark or the administrator of the Relevant Benchmark,

in each case, during the period of non-publication of the Relevant Benchmark and for so long as a Benchmark Transition Event has not occurred. If a rate described in sub-paragraph (1) is available, the Calculation Agent shall apply that rate. If no such rate is available but a rate described in sub-paragraph (2) is available, the Calculation Agent shall apply that rate. If neither a rate described in sub-paragraph (1) nor a rate described in sub-paragraph (2) is available, then the Calculation Agent shall determine a commercially reasonable alternative for the Relevant Benchmark taking into account where available any rate implemented by central counterparties and/or futures exchanges, in each case with trading volumes in derivatives or futures referencing the Relevant Benchmark that the Calculation Agent considers sufficient for that rate to be a representative alternative rate.

6.3.8.3 *Notwithstanding any other definitions to the contrary in these Terms and Conditions, the following definitions shall apply with respect to this Condition 6.3.8:*

Benchmark Replacement means (in respect of an IBOR Benchmark, if the Calculation Agent can determine the Interpolated Benchmark as of the Benchmark Replacement Date) the Interpolated Benchmark; or (in respect of an IBOR Benchmark if the Calculation Agent cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date or in respect of a RFR Benchmark), then the first alternative set forth in the order below that can be determined by the Calculation Agent as of the Benchmark Replacement Date:

- (1) (in respect of an IBOR Benchmark only) the sum of: (a) Compounded Relevant Replacement Rate and (b) the applicable Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate and (b) (in respect of an IBOR Benchmark only) the applicable Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Relevant Benchmark, where applicable for the applicable Corresponding Tenor and (b) (in respect of an IBOR Benchmark only) the applicable Benchmark Replacement Adjustment; or
- (4) the sum of: (a) the alternate rate of interest that has been selected by the Calculation Agent as the replacement for the then-current Relevant Benchmark, where applicable for the applicable Corresponding Tenor, giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Relevant Benchmark for floating rate notes denominated in the currency of the Relevant Benchmark (the **Relevant Benchmark Currency**) calculated at such time and (b) (in respect of an IBOR Benchmark only) the applicable Benchmark Replacement Adjustment.

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Calculation Agent:

- (1) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or
- (2) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Calculation Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Relevant Benchmark with the applicable Unadjusted Benchmark Replacement for any floating rate notes calculated by reference to a Relevant Benchmark at such time.

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any Floating Rate N&C Securities calculated by reference to a Relevant Benchmark (including changes to the definition of "Coupon Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor", any other Term and Condition and other administrative matters) that the Calculation Agent decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any Floating Rate N&C Securities calculated by reference to a Relevant Benchmark in a manner substantially consistent with market practice (or, if the Calculation Agent decides that adoption of any portion of such market practice is not administratively feasible or if the

Calculation Agent determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Calculation Agent determines is reasonably necessary).

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Relevant Benchmark:

- (1) in the case of paragraph (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Relevant Benchmark permanently or indefinitely ceases to provide such Relevant Benchmark; or
- (2) in the case of paragraph (3) of the definition of "Benchmark Transition Event," the effective date as of which the Relevant Benchmark will no longer be representative based on the most recent announcement or statement of the relevant supervisor, which may be the date of the public statement or publication of information or another date,

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Relevant Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of the Relevant Benchmark announcing that the administrator has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Relevant Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Benchmark, the central bank for the currency of the Relevant Benchmark, an insolvency official with jurisdiction over the administrator for the Relevant Benchmark, a resolution authority with jurisdiction over the administrator for the Relevant Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Relevant Benchmark, which states that the administrator of the Relevant Benchmark has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Relevant Benchmark; or
- (3) the regulatory supervisor for the administrator and/or sponsor of a Relevant Benchmark (a) has determined and announced that the Relevant Benchmark is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality it is intended to measure and representativeness will not be restored and (b) is aware that certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts have been or are engaged.

Compounded Daily €STR with respect to any day means the euro short term rate published for such day by the European Central Bank, as the administrator of such rate (or a successor administrator), on the ECB's Website.

Compounded Daily SARON with respect to any day means the Swiss Average Rate Overnight as provided for such day by SIX Index AG, as the administrator of such rate (or a successor administrator), to authorised distributors and published.

Compounded Daily SOFR with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

Compounded Daily SONIA with respect to any day means the Sterling Overnight Index Average rate as provided for such day by the Bank of England, as the administrator of such rate (or a successor administrator), to authorised distributors and published.

Compounded Relevant Replacement Rate means, the compounded average of Relevant Replacement Rates of the IBOR Benchmark for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Coupon Period or compounded in advance) being established by the Calculation Agent in accordance with the rate, or methodology for the Relevant Replacement Rate, and conventions for this rate that have been selected by the Calculation Agent giving due consideration to any industry-accepted market practice for similar transactions denominated in the Relevant Benchmark Currency at such time.

Corresponding Tenor with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Relevant Benchmark.

ECB's Website means the website of the European Central Bank at <https://www.ecb.europa.eu/home/html/index.en.html>, or any successor website of the European Central Bank (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part these Terms and Conditions).

EURIBOR Benchmark means, initially, EURIBOR of the appropriate tenor; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to EURIBOR, or the then-current EURIBOR Benchmark, then "EURIBOR Benchmark" means the applicable Benchmark Replacement.

Federal Reserve Bank of New York's Website means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part these Terms and Conditions).

€STR Benchmark means, initially, Compounded Daily €STR of the appropriate tenor (if applicable); provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded Daily €STR, or the then-current €STR Benchmark, then "€STR Benchmark" means the applicable Benchmark Replacement.

IBOR Benchmark means the EURIBOR Benchmark.

Interpolated Benchmark with respect to the Relevant Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Relevant Benchmark for the longest period (for which the Relevant Benchmark is available) that is

longer than the Corresponding Tenor and (2) the Relevant Benchmark for the shortest period (for which the Relevant Benchmark is available) that is shorter than the Corresponding Tenor.

ISDA Definitions means any of (i) the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto (ISDA), (ii) the 2021 ISDA Interest Rate Derivatives Definitions published by ISDA or (iii) any successor definitional booklet to the Definitions specified in (i) or (ii), in each case as selected by the Calculation Agent as most appropriate at the relevant time by reference to the hedging arrangements for the relevant series of N&C Securities. Where relevant the Calculation Agent may also but is not required to determine by reference to such hedging arrangements that one or more supplements, amendments or updates for interest rate derivatives using the relevant Definitions applies as an integral part of the ISDA Definitions.

ISDA Fallback Adjustment means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Relevant Benchmark for the applicable tenor.

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Relevant Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

Rate Cut-off Time has the meaning given to it in the applicable Final Terms.

Reference Time with respect to any determination of the Relevant Benchmark means:

- (1) where the Relevant Benchmark is EURIBOR Benchmark, 11:00 am (Brussels time) on the day that is two T2 Business Days preceding the date of such determination;
- (2) where the Relevant Benchmark is SOFR Benchmark, 8:00 a.m. (New York City time) on the U.S. Government Securities Business Day immediately following the date of such determination;
- (3) where the Relevant Benchmark is SONIA Benchmark, 9:00 a.m. (London time) on the London Business Day immediately following the date of such determination;
- (4) where the Relevant Benchmark is €STR Benchmark, 11:00 am (Brussels time) on the T2 Business Day immediately following the date of such determination;
- (5) where the Relevant Benchmark is SARON Benchmark, means, in respect of any Zurich Business Day, on or around 6:00 p.m. (Zurich time) on the date of such determination; and
- (6) otherwise, the time determined by the Calculation Agent in accordance with the Benchmark Replacement Conforming Changes.

Relevant Benchmark means:

- (1) where the Reference Rate specified in the applicable Final Terms is EURIBOR, the EURIBOR Benchmark;
- (2) where the Reference Rate specified in the applicable Final Terms is Compounded Daily SOFR, the SOFR Benchmark;

- (3) where the Reference Rate specified in the applicable Final Terms is Compounded Daily SONIA, the SONIA Benchmark;
- (4) where the Reference Rate specified in the applicable Final Terms is Compounded Daily €STR, the €STR Benchmark, or
- (5) where the Reference Rate specified in the applicable Final Terms is Compounded Daily SARON, the SARON Benchmark.

and the term "Relevant Benchmark" will include any related component rate, tenor or compounded index rate including without limitation, the SONIA Compounded Index, the SOFR Compounded Index and the SARON Compounded Index.

Relevant Governmental Body means the central bank for the Relevant Benchmark Currency (including any board thereof) or any committee officially endorsed and/or convened thereby.

Relevant Replacement Rate means where the Relevant Benchmark is the EURIBOR Benchmark, Compounded Daily €STR.

RFR Benchmark means where the Relevant Benchmark is (1) SOFR Benchmark, (2) SONIA Benchmark, (3) €STR Benchmark or (4) SARON Benchmark.

SARON Benchmark means, initially, Compounded Daily SARON of the appropriate tenor (if applicable) or where applicable the related compounded index rate; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded Daily SARON, or the then-current SARON Benchmark, then "SARON Benchmark" means the applicable Benchmark Replacement.

SOFR Benchmark means, initially, Compounded Daily SOFR of the appropriate tenor (if applicable) or where applicable the related compounded index rate; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded Daily SOFR, or the then-current SOFR Benchmark, then "SOFR Benchmark" means the applicable Benchmark Replacement.

SONIA Benchmark means, initially, Compounded Daily SONIA of the appropriate tenor (if applicable) or where applicable the related compounded index rate; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded Daily SONIA, or the then-current SONIA Benchmark, then "SONIA Benchmark" means the applicable Benchmark Replacement.

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

Vanilla Floating Rate N&C Securities means N&C Securities in relation to which (a) interest is payable where Screen Rate Determination is specified in the applicable Final Terms as the method in which the Rate of Interest is to be determined, (b) the Rate of Interest is determined solely by reference to the Relevant Benchmark without amendment or adjustment other than such Rate of Interest incorporating a fixed Margin, being subject to a fixed Maximum Rate of Interest and/or a fixed Minimum Rate of Interest and (c) payment of such interest is not subject to any contingency determined by reference to the performance or level of any underlying asset or reference basis to which the N&C Securities are linked or refer other than pursuant to the Credit Linked Conditions including if applicable N&C Securities Conditions 22.2.10, 22.2.15 or 22.2.16.

6.4 Interest on Exempt N&C Securities

This Condition 6.4 is only applicable to Exempt N&C Securities

The rate or amount of interest payable in respect of Exempt N&C Securities which are not also Fixed Rate N&C Securities or Floating Rate N&C Securities shall be determined in the manner specified in the applicable Final Terms, provided that where such N&C Securities are Index Linked Interest N&C Securities, Equity Linked Interest N&C Securities, FX Linked Interest N&C Securities, Commodity Linked Interest N&C Securities, Fund Linked Interest N&C Securities, Inflation Linked Interest N&C Securities, Tranch Zero Recovery Index Coupon Credit Linked N&C Securities and Tranch Recovery Index Coupon Credit Linked N&C Securities the provisions of Condition 6.3 shall, save to the extent amended in the applicable Final Terms, apply as if the references therein to Non-Exempt Interest N&C Securities were references to N&C Securities and with the exception that Condition 6.3.2 shall apply as if the reference to Floating Rate N&C Securities in the first paragraph thereof was a reference to such applicable N&C Securities.

In the case of Partly Paid N&C Securities (other than Partly Paid N&C Securities which are Zero Coupon N&C Securities), interest will accrue as aforesaid on the paid-up nominal amount of such N&C Securities and otherwise as specified in the applicable Final Terms.

6.5 Accrual of interest

Each N&C Security (or in the case of the redemption of part only of a N&C Security, that part only of such N&C Security) will cease to bear interest (if any) from the date for its redemption, or such earlier date as interest would otherwise cease to accrue in accordance with these Terms and Conditions, unless payment of principal and/or the delivery of any assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue (if the N&C Securities are not Conditional Interest N&C Securities) or accrue at such overnight deposit rate determined by the Calculation Agent from such source(s) as it may select for each relevant day (if the N&C Securities are Conditional Interest N&C Securities) in each case on the principal amount from the date of redemption until whichever is the earlier of:

- 6.5.1** the date on which all amounts due in respect of such N&C Security have been paid and/or all assets deliverable in respect of such N&C Security have been delivered; and
- 6.5.2** five days after the date on which the full amount of the moneys payable in respect of such N&C Security has been received by the Principal Agent and/or all assets in respect of such N&C Security have been received by any agent appointed by the Issuer to deliver such assets to Securityholders and notice to that effect has been given to the Securityholders in accordance with Condition 16,

Provided that if Annex 7 – Additional Terms and Conditions for Credit Linked Securities (2003 ISDA Credit Derivatives Definitions Version) or Annex 15 – *Additional Terms and Conditions for Credit Linked Securities (2014 ISDA Credit Derivatives Definitions Version)* applies in respect of the N&C Securities and

- 6.5.2.1** "Accrual of Interest upon Credit Event" is specified as Not Applicable in the applicable Final Terms, each N&C Security shall cease to bear interest from the first day of the Coupon Period during which the Credit Event Determination Date occurred (and accordingly, if the Credit Event Determination Date falls during the first Coupon Period, no interest shall accrue on the N&C Securities); or
- 6.5.2.2** "Accrual of Interest upon Credit Event" is specified as being Applicable in the applicable Final Terms, each N&C Security shall cease to bear interest from the Credit Event Determination Date and the relevant Coupon Period shall end on but exclude the Credit Event Determination

Date. In this case, the relevant interest amount shall be payable on, unless otherwise stated in the applicable Final Terms, the Credit Event Redemption Date; and

Provided Further That, if

- (1) Credit Linked Condition 5, Credit Linked Condition 6 or Credit Linked Condition 7 applies in respect of the N&C Securities and, in the case of Credit Linked Condition 5, a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of Credit Linked Condition 6, a Failure to Pay has not occurred on or prior to the Grace Period Extension Date or, in the case of Credit Linked Condition 7, a Credit Event has not occurred on or prior to (i) in respect of N&C Securities to which Annex 7 applies, the DC Cut-off Date or (ii) in respect of N&C Securities to which Annex 15 applies, the DC Determination Cut-off Date, as the case may be; and/or
- (2) Credit Linked Condition 8 applies in respect of the N&C Securities and, as applicable:
 - (a)
 - (i) in respect of N&C Securities to which Annex 7 applies, Conditions to Settlement are not satisfied; or
 - (ii) in respect of N&C Securities to which Annex 15 applies, a Credit Event Determination Date has not occurred; or
 - (b) the Repudiation/Moratorium Extension Condition is not satisfied,

in each case, on or prior to the Postponed Maturity Date (in respect of N&C Securities to which Annex 7 applies) or the Postponed Cut-Off Date (in respect of N&C Securities to which Annex 15 applies),

then interest will accrue as provided in Credit Linked Condition 5, Credit Linked Condition 6, Credit Linked Condition 7 or Credit Linked Condition 8, as the case may be.

Without prejudice to the above, if the N&C Securities are Conditional Interest N&C Securities, no interest will be payable in respect of the N&C Securities unless the relevant Coupon Payment Date has occurred on or prior to the due date for redemption of such N&C Securities.

Where the Conditions provide that interest will cease to accrue or the N&C Securities will cease to bear interest from a specified date, any then incomplete Coupon Period will be deemed to end on but exclude such specified date and such Coupon Period will be the final Coupon Period in respect of the N&C Securities.

6.6 Payments in respect of interest on early redemption

Other than where (i) it is specifically stated in the Conditions that an amount in respect of accrued interest shall not be payable or (ii) "Payment of interest on early redemption" is specified as "Not Applicable" in the applicable Final Terms, in circumstances where an Early Redemption Amount or Optional Redemption Amount becomes payable in respect of any interest bearing N&C Securities in accordance with the Conditions, the Issuer shall pay, together with the relevant Early Redemption Amount, a separate amount on account of the interest element of the N&C Securities being early redeemed equal to the fair market value of the interest element of the relevant N&C Securities (if any) less its *pro rata* share of Associated Costs (as defined in Condition 8.7 below), all as determined by the Calculation Agent.

7. PAYMENTS

7.1 Payment in respect of Bearer N&C Securities

7.1.1 *Payments in respect of Bearer N&C Securities*

Subject as provided below:

7.1.1.1 payments in a Specified Currency or Settlement Currency, as applicable, other than euro will be made by credit or transfer to an account in the relevant currency maintained by the payee with, or, at the option of the payee, by a cheque in such currency drawn on, a bank in the principal financial centre of the country of such currency (which, if the currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

7.1.1.2 payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

7.1.2 *Payment of principal and interest in respect of Bearer N&C Securities in definitive form*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of Bearer N&C Securities in definitive form will (subject as provided below) be made in the manner provided in Condition 7.1.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of such definitive Bearer N&C Securities, and payments of interest in respect of Bearer N&C Securities in definitive form will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

7.1.3 *Missing Unmatured Coupons*

Fixed Rate N&C Securities in definitive bearer form (other than Long Maturity N&C Securities (as defined below) and save as provided in Condition 7.3 below) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

7.1.4 *Unmatured Coupons and Talons void*

Upon any Fixed Rate N&C Security in definitive bearer form (other than a Long Maturity N&C Security) becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which (i) any interest bearing N&C Security (other than a Fixed Rate N&C Security that is not a Long Maturity N&C Security), and (ii) any Long Maturity N&C Security, in each case, in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity N&C Security** is a Fixed

Rate N&C Security (other than a Fixed Rate N&C Security which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such N&C Security shall cease to be a Long Maturity N&C Security on the Coupon Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such N&C Security.

If the due date for redemption of any Bearer N&C Security in definitive form is not a Coupon Payment Date and accrued interest is payable on such redemption, interest (if any) accrued in respect of such Bearer N&C Security from (and including) the first day of the Coupon Period ending on (but excluding) such Coupon Payment Date or, if none, the Coupon Period ending immediately prior to such Coupon Payment Date shall be payable only against surrender of the relevant definitive Bearer N&C Security.

7.1.5 *Payments of principal and interest in respect of Global N&C Securities in Bearer Form*

Payments of principal and interest (if any) in respect of N&C Securities represented by any Global N&C Security in bearer form will (subject as provided below) be made in the manner specified in Condition 7.1.2 above or in Condition 7.3.1 below, as applicable, in relation to definitive Bearer N&C Securities or otherwise in the manner specified in the relevant Global N&C Security, where applicable against presentation or surrender, as the case may be, of such Global N&C Security at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global N&C Security by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

7.2 **Payments in respect of Registered N&C Securities**

7.2.1 *Payments of principal in respect of Registered N&C Securities*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered N&C Security (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered N&C Security at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered N&C Security appearing in the register of holders of the Registered N&C Securities maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the N&C Securities held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency or Settlement Currency, as applicable, drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a currency other than euro) a bank in the principal financial centre of the country of such currency (which, if the currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

7.2.2 *Payments of interest in respect of Registered N&C Securities*

Payments of interest in respect of each Registered N&C Security (whether or not in global form) will be made by a cheque in the Specified Currency or Settlement Currency, as applicable, drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered N&C Security appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at their address shown in the Register on the Record Date and at their risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered N&C Security, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and, in the case of Exempt N&C Securities that provide for the payment of principal in instalments, to all future instalments of principal (other than the final instalment) in respect of the Registered N&C Securities, which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered N&C Security on redemption will be made in the same manner as payment of the principal amount of such Registered N&C Security.

Holders of Registered N&C Securities will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any such Registered N&C Security as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered N&C Securities.

7.2.3 *Payment by DTC*

All amounts payable to DTC or its nominee as registered holder of a Global N&C Security in registered form in respect of N&C Securities denominated in a Specified Currency other than U.S. dollars and/or for which the Settlement Currency is other than U.S. dollars, as applicable, shall be paid by transfer by the Registrar to an account in the relevant Specified Currency or Settlement Currency, as applicable, of the Exchange Agent (appointed by the Issuer for the purposes of effecting the conversion of non-U.S. dollar payments into U.S. dollars and performing all other obligations and duties imposed upon it by the Conditions) on behalf of DTC or its nominee for conversion into and payment in U.S. dollars unless the participant in DTC with an interest in the N&C Securities has elected to receive any part of such payment in that Specified Currency or Settlement Currency, as applicable, in the manner specified in the Agency Agreement and in accordance with rules and procedures for the time being of DTC.

7.2.4 *Responsibility and liability for records and payments*

None of the Issuer, the Guarantor (in the case of Guaranteed N&C Securities) or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in Registered N&C Securities in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.3 **Specific provisions in relation to payments in respect of certain types of Exempt N&C Securities**

This Condition 7.3 is only applicable to Exempt N&C Securities

7.3.1 *Payments of instalments of principal in respect of Bearer N&C Securities in definitive form*

Payments of instalments of principal (if any) in respect of Bearer N&C Securities in definitive form, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with paragraph 7.1.2 above. Payment of the final instalment will be made in the manner provided in Condition 7.1.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant definitive Bearer N&C Security in accordance with paragraph 7.1.2 above. Each Receipt must be presented for payment of the relevant instalment together with the relevant definitive Bearer N&C Security to which it appertains. Receipts presented without the relevant definitive Bearer N&C Security to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Bearer N&C Security in definitive form becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

7.3.2 Payments of instalments of principal in respect of Registered N&C Securities

Payments of instalments of principal (other than the final instalment) in respect of each Registered N&C Security (whether or not in global form) will be made by a cheque in the Specified Currency or Settlement Currency, as applicable, drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered N&C Security appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at their address shown in the Register on the Record Date and at their risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of an instalment in respect of a Registered N&C Security, the payment may be made by transfer on the due date in the manner provided in paragraph 7.2 above. Any such application for transfer shall be deemed to relate to all future instalments of principal (other than the final instalment) in respect of the Registered N&C Securities which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered N&C Security. Holders of Registered N&C Securities will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any such Registered N&C Security as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal in respect of the Registered N&C Securities.

7.4 Method of Payment

7.4.1 General provisions applicable to payments

Payments will be subject in all cases to (i) any fiscal, Sanctions or other laws and regulations applicable thereto in any relevant jurisdiction or other laws and regulations to which the Issuers, the Guarantors or their Agents are subject, but without prejudice to the provisions of Condition 9, (ii) any withholding or deduction required pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 (the **Code**, and such withholding or deduction **871(m) Withholding**) and (iii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. In addition, in determining the amount of 871(m) Withholding imposed with respect to any amounts to be paid on the N&C Securities, the Issuer shall be entitled to withhold on any

"dividend equivalent" (as defined for purposes of Section 871(m) of the Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

With respect to N&C Securities that provide for net dividend reinvestment in respect of either an underlying U.S. security (i.e. a security that pays U.S. source dividends) or an index that includes U.S. securities, all payments on the N&C Securities that reference such U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70 per cent. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30 per cent. of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

The holder of a Global N&C Security shall be the only person entitled to receive payments in respect of N&C Securities represented by such Global N&C Security and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global N&C Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount or number of units of N&C Securities represented by such Global N&C Security must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for their share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global N&C Security.

7.4.2 *Place of Payment*

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer N&C Securities is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such N&C Securities will be made at the specified office of a Paying Agent in the United States if:

- 7.4.2.1 the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer N&C Securities in the manner provided above when due;
- 7.4.2.2 payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- 7.4.2.3 such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor (if applicable), adverse tax consequences to the Issuer or the Guarantor.

7.4.3 *Payment Day*

If the date for payment of any amount in respect of any N&C Security, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10) is:

- 7.4.3.1 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:

- (1) in the case of N&C Securities in definitive form only, the relevant place of presentation;
- (2) each Additional Financial Centre specified in the applicable Final Terms (other than T2 System); and
- (3) if T2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the T2 System is open.

7.4.3.2 either (1) in relation to any sum payable in a relevant currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of each such relevant currency (which if the relevant currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland or Hong Kong, respectively) or (2) in relation to any sum payable euro, a day on which the T2 System is open; and

7.4.3.3 in the case of any payment in respect of a Global N&C Security in registered form denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Global N&C Security) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

7.4.4 *Interpretation of principal and interest*

Any reference in the Conditions to principal in respect of the N&C Securities shall be deemed to include, as applicable:

7.4.4.1 any additional amounts which may be payable with respect to principal under Condition 9;

7.4.4.2 the Final Redemption Amount of the N&C Securities;

7.4.4.3 the Early Redemption Amount of the N&C Securities;

7.4.4.4 the Optional Redemption Amount(s) (if any) of the N&C Securities;

7.4.4.5 the Failure to Deliver Settlement Price (if any) in respect of the Exempt N&C Securities;

7.4.4.6 the Disruption Cash Settlement Price (if any) in respect of the Exempt N&C Securities;

7.4.4.7 the Credit Event Redemption Amount (if any) in respect of the Exempt N&C Securities;

7.4.4.8 the Partial Cash Settlement Amount (if any) in respect of the Exempt N&C Securities;

7.4.4.9 the Mandatory Early Termination Amount(s) (if any) of the Exempt N&C Securities;

7.4.4.10 the Partial Redemption Amount(s) (if any) of the Exempt N&C Securities;

7.4.4.11 the Assessed Value Payment Amount (if any) of the Exempt N&C Securities;

7.4.4.12 in relation to Exempt N&C Securities redeemable in instalments, the Instalment Amounts;

7.4.4.13 any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the N&C Securities.

Any reference in the Conditions to interest in respect of the N&C Securities shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

7.5 CNY Currency Event

7.5.1 *CNY Currency Event*

If "CNY Currency Event" is specified as applicable in the applicable Final Terms and a CNY Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any amount in Renminbi in respect of any N&C Security, Receipt, or Coupon, the Issuer's obligation to make a payment in Renminbi under the terms of the N&C Securities may in the Issuer's sole discretion acting in good faith, be postponed by up to 14 calendar days and/or replaced by an obligation to pay such amount in U.S. dollars converted using the Spot Rate for the Rate Calculation Date.

7.5.2 *Occurrence of CNY Currency Event*

Upon the occurrence of a CNY Currency Event, the Issuer shall give notice as soon as practicable to the Securityholder in accordance with Condition 16 (*Notices*) stating the occurrence of the CNY Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

7.5.3 *Definitions*

Governmental Authority means (i) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank), in each case in any relevant jurisdiction;

Rate Calculation Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

Rate Calculation Date means the day which is two Rate Calculation Business Days before the due date of the relevant payment under the N&C Securities;

CNY Currency Event means any one of CNY Illiquidity, CNY Non-Transferability or CNY Inconvertibility;

CNY Illiquidity means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer, any of its Affiliates or its agents are unable to obtain, in a commercially reasonable manner, sufficient CNY to enable the Issuer to make a payment under the N&C Securities, as determined by the Issuer in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the CNY exchange market in Hong Kong;

CNY Inconvertibility means the occurrence of any event that makes it impossible for the Issuer, any of its Affiliates or its agents to convert (i) U.S. dollars into (ii) any amount due in respect of the N&C Securities that is payable by the Issuer in CNY, on any payment date at the general CNY exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer, any of its Affiliates or its agents to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

CNY Non-Transferability means the occurrence of any event that makes it impossible for the Issuer, any of its Affiliates or its agents to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the CNY clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer, any of its Affiliates or its agents to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule, or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

Spot Rate means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Rate Calculation Business Days, as determined by the Calculation Agent at or around 11.00am (Hong Kong time) on the Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the CNY/U.S. dollar exchange rate in the PRC domestic foreign exchange market.

7.5.4 *CNY account*

All payments in respect of any N&C Security, Receipt or Coupon in Renminbi will be made solely by credit to a Renminbi account maintained by the payee at a bank in Hong Kong or such other financial centre(s) as may be specified in the applicable Final Terms as CNY Settlement Centre(s) in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong or any relevant CNY Settlement Centre(s)).

7.6 Non-Permitted Holders and suspension of deliveries and payments at the option of the Issuer

7.6.1 Unless "Sanctions Event" is specified as not applicable in the applicable Final Terms, the following provisions shall apply.

7.6.2 If the Issuer based on relevant knowledge or suspicion, after consultation with the Calculation Agent, determines that a Non-Permitted Holder holds or may hold any legal or beneficial interest in an N&C Security (a **Sanctions Event**), the Issuer may, from the time of such determination, in respect of (i) all of the N&C Securities of the Series (if it is not possible or reasonably practicable to only make Relevant Deliveries and Payments with respect to N&C Securities held by Permitted Holders), or (ii) N&C Securities of the Series which are or may be held by any Non-Permitted Holder(s) only, suspend all Relevant Deliveries and Payments for so long as the Affected Period continues.

7.6.3 The Issuer shall give notice as soon as practicable (subject to Sanctions and applicable law) to the relevant Securityholders of any suspension pursuant to Condition 7.6.2 above in accordance with Condition 16 below. Any failure to provide such a notice to Securityholders will not constitute an Event of Default in respect of the N&C Securities and will not affect the validity of the foregoing provisions, and any such suspension shall not constitute an Event of Default in respect of the N&C Securities. If an event or circumstance that would otherwise (but for this Condition 7.6) constitute a Disruption Event or a Suspension Event also constitutes a Sanctions Event, such event shall be deemed to be a Sanctions Event and shall not constitute a Disruption Event or a Suspension Event (as applicable), except that if the Issuer determines in its sole and absolute discretion that the provisions of this Condition 7.6 are not, in whole or in part or by themselves, commercially reasonable in view of the then current Sanctions position, the Issuer may apply none, some only or each of this Condition 7.6

and/or the relevant provisions that may apply in respect of a Disruption Event or a Suspension Event, as appropriate. This Condition 7.6 may also be applied in combination and/or sequentially with any other Conditions. Without limitation, this may mean that an Early Redemption Amount becomes subject to delay pursuant to this Condition 7.6.

7.6.4 During the Affected Period the Issuer shall use reasonable efforts to:

- (a) consider whether it is permitted under (i) Sanctions and all other applicable law and regulation; and (ii) the Issuer's internal legal, compliance and operational policies ((i) and (ii) together, the **Issuer Requirements**), to arrange for an alternative means of making deliveries or payments, as applicable, to or for the benefit of any Non-Permitted Holder(s). If the Issuer determines that it is so permitted, the Issuer shall use reasonable efforts to liaise with the Non-Permitted Holder(s) or such other persons as may be appropriate in order to arrange for such alternative means of making deliveries or payments to be put in place; and
- (b) put in place alternative arrangements (the **Sanctions Alternative Arrangements**) for the benefit of the Permitted Holders which, in the sole determination of the Issuer, comply with Sanctions and all other laws and regulations to which the Issuer and/or any relevant Agent or other entity or system involved in the relevant payment or delivery (as determined by the Issuer) are subject and enable the Issuer to make or procure payment or delivery of each related Relevant Delivery and Payment, as applicable, to or at the direction of the relevant Permitted Holders. Sanctions Alternative Arrangements may include, without limitation:
 - (A) certification, verification or any other arrangements agreed between the Issuer and the relevant clearing system (which may include removal of the N&C Securities from the relevant clearing system); and
 - (ii) adjustments to any relevant terms of the N&C Securities (which may include adjustments to any relevant payment or delivery provisions themselves and provisions as to what constitutes good payment or delivery) without the consent of the Securityholders.

7.6.5 Where a payment would otherwise be due from the Issuer to any Non-Permitted Holder(s) and/or any Permitted Holders under or in connection with any N&C Securities then, in each case as the Issuer determines is appropriate from time to time to ensure its compliance with Sanctions and notwithstanding Condition 7.6.6 below or any other term of the relevant N&C Securities, the Issuer may opt to make such payment into one or more Frozen Accounts, and any such payment made by or on behalf of the Issuer will be considered to have been fully and validly paid by the Issuer to the relevant Securityholders for the purposes of these Conditions.

7.6.6 At any time on or after the two year anniversary of the commencement of the Affected Period or if earlier the scheduled maturity of the N&C Securities, the Issuer may in its sole and absolute discretion cancel the N&C Securities then held by any Non-Permitted Holder, in which case:

- (a) the Issuer shall have no further obligations under such N&C Securities then held by the Non-Permitted Holder(s) and shall not be required to reimburse or otherwise account to the Non-Permitted Holder(s) for any Relevant Deliveries and Payments;
- (b) such N&C Securities shall be deemed to have expired worthless, shall be cancelled by the Principal Agent in accordance with Condition 8.10 and if the Securities are in

definitive form the Non-Permitted Holder(s) shall immediately surrender the N&C Securities to or to the order of the Issuer; and

- (c) any rights or claims of the Non-Permitted Holder(s) in respect of such N&C Securities and any Relevant Deliveries and Payments shall be extinguished and the Non-Permitted Holder(s) shall have no further recourse to the Issuer, irrespective of whether the Non-Permitted Holder(s) comply with their obligations to surrender the N&C Securities under this Condition 7.6.6.

7.6.7 Notwithstanding any other provision of these Conditions, if at any time following the commencement of the Affected Period (and provided the Issuer has not otherwise cancelled the N&C Securities pursuant to Condition 7.6.6 above) the Issuer has reasonable grounds to believe that (i) due to a change in Sanctions or any other applicable law or regulation, or based on new information, a Securityholder is not or is no longer a Non-Permitted Holder, or (ii) a Non-Permitted Holder has availed itself of a licence, permission or other dispensation under which it is lawfully able to accept and the Issuer is lawfully able to make Relevant Deliveries and Payments in respect of N&C Securities then held by it notwithstanding its status as a Non-Permitted Holder, such Non-Permitted Holder shall be considered a Permitted Holder from such time for the purposes of this Condition 7.6.

7.6.8 Notwithstanding any other provision of these Conditions, if at any time following the commencement of the Affected Period (i) the Issuer determines in its sole and absolute discretion that appropriate arrangements exist to make Relevant Deliveries and Payments in respect of the N&C Securities to all Securityholders (including any Non-Permitted Holder(s)), or (ii) the Issuer has elected in its sole and absolute discretion to make or procure payment or delivery (as applicable) of a Relevant Delivery or Payment to or at the direction of the Permitted Holders pursuant to any Sanctions Alternative Arrangements the Issuer shall if permitted by the Issuer Requirements:

- (a) resume deliveries and payments in respect of N&C Securities then held by the Securityholders or, alternatively, only the Permitted Holders (as applicable); and
- (b) within five Business Days of the resumption of such deliveries and payments, arrange for a delivery or a payment, as applicable, to be made to the relevant Securityholders (the date of such delivery or payment, the **Suspension End Date**) which the Issuer determines is equal to any Relevant Deliveries and Payments not received by such Securityholders as a result of the Issuer's exercise of its rights under Condition 7.6.2, plus an additional amount determined by the Calculation Agent as being equal to:
 - (i) in respect of any suspended deliveries (A) any dividend or other distribution that would have been received by a Hypothetical Holder in respect of such suspended delivery from, and including, the first day of the Affected Period to, but excluding, the final day of the Affected Period, in each case net of any applicable taxes or charges (including, without limitation, custodial charges) such a Hypothetical Holder would suffer (the **Distribution Additional Amount**); plus (B) (in the case of Permitted Holders who have not been Non-Permitted Holders in the relevant Affected Period only, and without duplication) an additional amount determined by the Calculation Agent as being equal to interest which would have accrued on any cash element(s) of the Distribution Additional Amount on the basis each such cash element would accrue interest in each case from, and including, the date the relevant cash element would have been received by a Hypothetical Holder to, but excluding, the Suspension End Date (in each case calculated by reference to

a rate of interest determined by the Issuer in its sole discretion and in compliance with the Issuer Requirements); and

- (ii) in respect of any suspended payments and in the case of Permitted Holders who have not been Non-Permitted Holders in the relevant Affected Period only, and without duplication, interest which would have accrued on such suspended payment from, and including, the first day of the Affected Period to, but excluding, the Suspension End Date (calculated by reference to a rate of interest determined by the Issuer in its sole discretion and in compliance with the Issuer Requirements).

Upon such payment or delivery pursuant to this Condition 7.6.8 in respect of the N&C Securities, the Issuer shall have discharged its obligations in respect of the relevant Deliveries and Payments under such N&C Securities in full and shall have no other liability or obligation whatsoever in respect thereof except in the event of a loss resulting directly from the fraud, wilful default or gross negligence of the Issuer or the Calculation Agent.

7.6.9 Except as provided in Condition 7.6.8 above, Securityholders shall not be entitled to any interest or any other payment on account of any postponement or delay which may occur in respect of the payment of any amounts that would otherwise be due and payable or the delivery of any deliverable entitlements, as applicable, in respect of the N&C Securities pursuant to this Condition 7.6.

7.6.10 Except as required by Sanctions and any applicable laws and regulations, neither the Issuer nor the Calculation Agent shall have any duty to monitor, enquire or satisfy themselves as to the status of any Securityholder with respect to Sanctions.

7.6.11 For the avoidance of doubt, the Issuer may rely on and exercise its rights under this Condition 7.6 on more than one occasion, whether in relation to the same Securityholders and Sanctions regime or otherwise. The above provisions are additional, and without prejudice to, any other terms of the N&C Securities, and the Issuer shall not be restricted from exercising any other rights it holds and, in exercising its rights under this Condition 7.6, shall not be deemed to have waived its rights under any other terms of the N&C Securities. In addition, where any event or circumstance is or may be an event or circumstance as described in more than one of this Condition 7.6 or Condition 8.13 (*Inconvertibility Event*) or any other provisions of the Conditions (each a **Relevant Provision**), the Issuer may determine in its sole discretion which of such Relevant Provisions it will apply (if applicable) to the relevant event or circumstance and no Relevant Provision will be qualified or limited by the existence of any other Relevant Provision.

For these purposes:

Affected Period means the period beginning on and including the date upon which the Issuer makes a determination under Condition 7.6.2 and continuing for so long as the Issuer remains of the view that there are reasonable grounds to believe there are one or more relevant holder(s) which remain Non-Permitted Holder(s) or, if earlier, until the date on which:

- (a) the Issuer determines that appropriate arrangements then exist to make payment of the relevant Relevant Deliveries and Payments to all Securityholders (including all of the Non-Permitted Holders); or
- (b) in respect of Permitted Holders only, the date on which the Issuer has elected to make or procure payment or delivery (as applicable) of a Relevant Delivery and Payment,

to or at the direction of the Permitted Holders pursuant to any Sanctions Alternative Arrangements (in which case, the Affected Period will be deemed to continue in respect of any Non-Permitted Holders).

Disruption Event means any disruption event, additional disruption event or adjustment event, howsoever described, provided for in the Conditions in respect of a Reference Item.

Frozen Account means, in relation to a person or persons, a bank account which is held for such person or persons and which has been frozen or blocked pursuant to Sanctions, such that the person or persons are not able to freely access the funds therein.

Hypothetical Holder means (i) a corporate entity resident in the same jurisdiction as the Issuer or, (ii) if the Issuer determines that such an entity would reasonably hold exposure to any suspended delivery with a custodian or nominee or via any contractual arrangement with a counterparty resident in the same or any other relevant jurisdiction, such other custodian, nominee or counterparty.

Non-Permitted Holder means, in relation to any Series of N&C Securities, any legal or natural person who, in the determination of the Issuer based on relevant knowledge or suspicion as determined by the Issuer in its discretion, is, or may be (i) listed on a Sanctions List or otherwise directly or indirectly subject to, or targeted by, Sanctions for any reason, whether specifically affected itself or as a result of having a relevant connection with a person who is so affected, (ii) a person who is acting on behalf or at the direction of, or for the benefit of, directly or indirectly, one or more targets of any Sanctions, or (iii) a person who is materially connected to a person referred to in (i) or (ii), including any family member, business associate, or other close affiliate and, in all cases, the relevant Sanctions are relevant (as determined by the Issuer in its sole and absolute discretion) for the purposes of Relevant Deliveries and Payments under the N&C Securities.

OFAC means the Office of Foreign Assets Control of the US Department of the Treasury.

Permitted Holder means, in relation to any Series of N&C Securities, any legal or natural person who is not a Non-Permitted Holder.

Relevant Deliveries and Payments means, in relation to any N&C Security, all deliveries and all payments of principal, interest and any other amounts which are or would become due and payable but for the Issuer's exercise of its right to suspend such deliveries and payments under the provisions of this Condition 7.6.

Sanctions means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority from time to time.

Sanctions Authority means:

- (a) the Security Council of the United Nations;
- (b) the United States of America;
- (c) the European Union;
- (d) any member state of the European Union;
- (e) the United Kingdom;

- (f) Australia;
- (g) Canada;
- (h) Japan; and
- (i) the governments and institutions or agencies of any of paragraphs (a) to (h) above, including OFAC, the US Department of State, the Council of the European Union, His Majesty's Treasury, the Ministry of Finance Japan and the Ministry of Economy, Trade and Industry Japan.

Sanctions List means each of the Specially Designated Nationals and Blocked Persons list maintained by OFAC, the Consolidated List of Persons and Entities subject to Financial Sanctions maintained by the European Commission, the Consolidated List of Financial Sanctions Targets maintained by His Majesty's Treasury through OFSI, the sanctions list maintained by the Ministry of Finance Japan and the Ministry of Economy, Trade and Industry Japan or any similar list maintained by, or public announcement of a Sanctions designation made by, a Sanctions Authority, each as amended, supplemented or substituted from time to time.

7.7 Payments subject to ability to make payment under applicable laws, and being possible and reasonably practicable

7.7.1 Unless "Payment Suspension" is specified as not applicable in the applicable Final Terms, the following provisions of this Condition 7.7 shall apply.

7.7.2 Without prejudice to Condition 7.6 above, all payments in respect of the N&C Securities are subject in all cases to (i) any laws, regulations, rules and directives including, without limitation, Sanctions, that may apply to the Issuer or might have applied to any Affiliate of the Issuer had such Affiliate been the issuer of the N&C Securities and (ii) such payment being possible and reasonably practicable in the Specified Currency or Settlement Currency (as applicable) to (and accepted by) the relevant Securityholder (collectively, the **Payment Condition**).

7.7.3 If (i) any payment does not satisfy the Payment Condition, or (ii) the Issuer considers there to be a reasonable likelihood that any forthcoming payment may not satisfy the Payment Condition (each, a **Suspension Event**), the Issuer's obligations to make such payment shall be suspended and the Issuer shall be excused from making such payment on the due date under the Conditions (a **Payment Suspension**). Any non-payment while the Payment Suspension applies shall not constitute an Event of Default or a breach of the Issuer's obligations under the N&C Securities.

7.7.4 If the Issuer in its sole and absolute discretion determines that the Suspension Event is no longer subsisting and that the Payment Condition would be satisfied in respect of its payment obligations then, if permitted by the Issuer Requirements, the Issuer shall make such payment as soon as the Issuer determines that it is practicable for it to do so plus an additional amount determined by the Calculation Agent as being equal to, without duplication, interest which would have accrued on such suspended payment from, and including, the date such payment would have been due (but for this Condition 7.7) to, but excluding, the date on which such payment is made (calculated by reference to a rate of interest determined by the Issuer in its sole discretion and in compliance with the Issuer Requirements). No N&C Securities shall be redeemed or terminated while a Payment Suspension applies (subject to the Issuer's rights to redeem the N&C Securities as provided below).

7.7.5 Except as provided in Condition 7.7.4 above, Securityholders shall not be entitled to any interest or any other payment on account of any postponement or delay which may occur in respect of the payment of any amounts that would otherwise be due and payable or the delivery of any deliverable entitlements, as applicable, in respect of the N&C Securities pursuant to this Condition 7.7.

8. REDEMPTION, PURCHASE, ADMINISTRATOR/BENCHMARK EVENTS AND INCONVERTIBILITY EVENT

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below:

(i) Non-Exempt N&C Securities

Each N&C Security other than an Exempt N&C Security, will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms or, in the case of certain Non-Exempt Redemption N&C Securities set out in Condition 22.2 below, determined in the manner specified in the relevant paragraph of Condition 22 below in the relevant Specified Currency or Settlement Currency, as applicable, on the Maturity Date (each as specified in the applicable Final Terms); and

(ii) Exempt N&C Securities

Each Exempt N&C Security will be redeemed by the Issuer (i) at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency or Settlement Currency, as applicable on the Maturity Date or (ii) if the N&C Securities are specified as Physical Delivery N&C Securities in the applicable Pricing Supplement, by applying the Nominal Amount of each N&C Security outstanding as at the Maturity Delivery Date (as defined in Annex 8 – *Additional Terms and Conditions for Physical Delivery N&C Securities*) or (in the case of Credit Linked N&C Securities) the Credit Settlement Date, as applicable, on behalf of the relevant Securityholder to purchase the Entitlement for delivery, as specified in, or determined in accordance with, the applicable Pricing Supplement and delivering the Entitlement (subject as provided in Annex 8 – *Additional Terms and Conditions for Physical Delivery N&C Securities*).

8.2 Redemption for tax reasons

Subject to Condition 8.7, the N&C Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this N&C Security is not a Floating Rate N&C Security) or on any Coupon Payment Date (if this N&C Security is a Floating Rate N&C Security), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Principal Agent and, in accordance with Condition 16, the Securityholders (which notice shall be irrevocable), if:

8.2.1 on the occasion of the next payment due under the N&C Securities, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 in respect of any amounts required to be withheld or deducted from payments under the N&C Securities or, in respect of Guaranteed N&C Securities, the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts in each case as a result of any change in, or amendment to, the laws or regulations of the relevant Tax Jurisdiction (as defined in Condition 9) or any change in the application or any official interpretation of such laws or regulations (without prejudice to Condition 9), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the N&C Securities; and

8.2.2 such obligation cannot be avoided by the Issuer or, as the case may be in respect of Guaranteed N&C Securities, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be in respect of Guaranteed N&C Securities, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the N&C Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Agent to make available at its specified office, during normal business hours, to Securityholders (i) a certificate signed by one managing director of the Issuer or, as the case may be in respect of Guaranteed N&C Securities, a representative executive officer of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be in respect of Guaranteed N&C Securities, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

N&C Securities redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in paragraph 8.7 below.

8.3 Redemption at the option of the Issuer (Issuer Call)

*This Condition 8.3 applies to N&C Securities which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or upon a regulatory event), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 8.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of N&C Securities which can be redeemed and the applicable notice periods.*

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Securityholders in accordance with Condition 16 (which notice shall specify the date fixed for redemption), redeem all or some only of the N&C Securities then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case if specified in the applicable Final Terms. In the case of a partial redemption of N&C Securities, the N&C Securities to be redeemed (**Redeemed N&C Securities**) will (i) in the case of Redeemed N&C Securities represented by definitive N&C Securities, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed N&C Securities represented by a Global N&C Security, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC. In the case of Redeemed N&C Securities represented by definitive N&C Securities, a list of the serial numbers of such Redeemed N&C Securities will be published in accordance with Condition 16 not less than 15 days prior to the date fixed for redemption.

8.4 Redemption at the option of the Securityholders (Investor Put)

*This Condition 8.4 applies to N&C Securities which are subject to redemption prior to the Maturity Date at the option of the Securityholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in*

conjunction with this Condition 8.4 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any N&C Security giving to the Issuer in accordance with Condition 16 not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, redeem such N&C Security on the Optional Redemption Date and at the Optional Redemption Amount. Registered N&C Securities may be redeemed under this Condition 8.4 in any multiple of their lowest Specified Denomination. In the case of Exempt N&C Securities only, it may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement of the relevant Exempt N&C Securities.

To exercise the right to require redemption of this N&C Security the holder of this N&C Security must, if this N&C Security is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer N&C Securities) or the Registrar (in the case of Registered N&C Securities) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered N&C Securities, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered N&C Securities so surrendered is to be redeemed, an address to which a new Registered N&C Security in definitive form in respect of the balance of such Registered N&C Securities is to be sent subject to and in accordance with the provisions of Condition 2.2. If this N&C Security is in definitive bearer form, the Put Notice must be accompanied by this N&C Security or evidence satisfactory to the Paying Agent concerned that this N&C Security will, following delivery of the Put Notice, be held to its order or under its control.

If this N&C Security is represented by a Global N&C Security or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this N&C Security the holder of this N&C Security must, within the notice period, give notice to the Principal Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or DTC (which may include notice being given on their instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg or DTC from time to time and, if this N&C Security is represented by a Global N&C Security, the terms of which require presentation for recording changes to its nominal amount or number of Securities at the same time present or procure the presentation of the relevant Global N&C Security to the Principal Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or DTC by a holder of any N&C Security pursuant to this Condition 8.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 and instead to declare such N&C Security forthwith due and payable pursuant to Condition 11.

8.5 Redemption upon a Regulatory Event

This Condition 8.5 applies to N&C Securities which are subject to redemption prior to the Maturity Date at the option of the Issuer upon a regulatory event as described below, such option being referred

*to as an **Issuer Regulatory Call**. The applicable Final Terms contains provisions applicable to any Issuer Regulatory Call and must be read in conjunction with this Condition 8.5 for full information on any Issuer Regulatory Call. In particular, the applicable Final Terms will identify the applicable notice periods.*

Unless this Condition 8.5 is specified as "Not Applicable" in the applicable Final Terms, the N&C Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to Securityholders in accordance with Condition 16 (which notice shall be irrevocable), in the event that a change (including a future change) in applicable law or regulation has occurred or will occur that results, or will result, by reason of the N&C Securities being outstanding, in the Issuer being required to be regulated by any additional jurisdiction or regulatory authority, or being subject to any additional legal requirement or regulation considered by the Issuer to be materially onerous to it. If no such minimum period of notice or maximum period of notice is specified in the applicable Final Terms, such minimum period of notice shall be 5 Business Days and such maximum period of notice shall be 20 Business Days.

N&C Securities redeemed pursuant to this Condition 8.5 will be redeemed at their Early Redemption Amount referred to in paragraph 8.7 below.

Where any event or circumstance is or may be an event or circumstance as described in more than one of this Condition 8.5, Condition 8.6 (*Redemption for Illegality*) or the definition of Change in Relevant Law in the Additional Terms and Conditions for Short Price Payout N&C Securities (each a Relevant Provision), the Issuer may determine in its sole discretion which of such Relevant Provisions it will apply (if applicable) to the relevant event or circumstance and no Relevant Provision will be qualified or limited by the existence of any other Relevant Provision.

8.6 Redemption for Illegality

*This Condition 8.6 applies to N&C Securities which are subject to redemption prior to the Maturity Date at the option of the Issuer upon an Illegality as described below, such option being referred to as an **Illegality Redemption**. The applicable Final Terms contains provisions applicable to any Illegality Redemption and must be read in conjunction with this Condition 8.6 for full information on any Illegality Redemption. In particular, the applicable Final Terms will identify the applicable notice periods.*

Unless this Condition 8.6 is specified as "Not Applicable" in the applicable Final Terms, in the event that the Issuer determines that the performance of the its obligations under the N&C Securities or, in the case of Guaranteed N&C Securities, the obligations of the Guarantor under the Guarantee, or any arrangements made to hedge the Issuer's obligations under the N&C Securities, has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, Sanctions, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof (an **Illegality**), the Issuer may, if and to the extent permitted by applicable law (including, without limitation, any Sanctions) either (i) make such adjustment to the Conditions to address the relevant event or circumstance as may be permitted by any applicable provisions in the Conditions, or (ii) having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Securityholders in accordance with Condition 16 (which notice shall be irrevocable), on the expiry of such notice redeem all, but not some only, of the N&C Securities, each N&C Security being redeemed at the Early Redemption Amount. If no such minimum period of notice or maximum period of notice is specified in the applicable Final Terms, such minimum period of notice shall be 5 Business Days and such maximum period of notice shall be 20 Business Days.

8.7 Early Redemption Amounts

In the event of an early redemption of N&C Securities, each N&C Security shall be redeemed at its Early Redemption Amount on the applicable Early Redemption Date.

The **Early Redemption Date** shall be the date specified as such in the applicable notice to Securityholders informing such Holders of the early redemption.

The **Early Redemption Amount** shall be calculated as follows:

8.7.1 other than in relation to N&C Securities in respect of which paragraphs 8.7.3 to 8.7.6 below are applicable, each N&C Security (other than a Zero Coupon N&C Security) will be redeemed at its Early Redemption Amount being the amount as specified in the applicable Final Terms; and

8.7.2 other than in relation to N&C Securities in respect of which paragraph 8.7.3 to 8.7.6 below are applicable, each Zero Coupon N&C Security will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the N&C Securities to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such N&C Security becomes due and repayable and the denominator will be 360), (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the N&C Securities to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such N&C Security becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the N&C Securities to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such N&C Security becomes due and repayable and the denominator will be 365);

8.7.3 in the case of Reference Item Linked N&C Securities other than Equity Basket Autocall N&C Securities being redeemed for an Autocall Event and Index Basket Autocall N&C Securities being redeemed for an Autocall Event, the Early Redemption Amount in respect of each unit or nominal amount of N&C Securities equal to the Calculation Amount will be an amount which in the determination of the Calculation Agent represents the fair market value of such N&C Securities less Associated Costs (as defined below), provided that, the Calculation Agent will not take into account the interest element of the N&C Securities in determining the relevant fair market value. In determining the fair market value of the Securities, the Calculation Agent will take into account all factors which the Calculation Agent determines relevant, including without limitation and if applicable, the circumstances of the relevant Index Adjustment Event, Market Disruption Event or Potential Adjustment Event, and provided that, in the case of an early redemption following the occurrence of an Event of

Default, no account shall be taken of the financial condition of the Issuer or, in the case of Guaranteed N&C Securities, the Guarantor, which shall each be presumed to be able to perform fully its obligations in respect of the N&C Securities;

- 8.7.4** in the case of Equity Basket Autocall N&C Securities being redeemed for an Autocall Event, the amount specified in Condition 22.2.8;
- 8.7.5** in the case of Index Basket Autocall N&C Securities being redeemed for an Autocall Event, the amount specified in Condition 22.2.9;
- 8.7.6** in the case of Exempt N&C Securities, on such other calculation basis as may be specified in the applicable Pricing Supplement.

As used above, **Associated Costs** means an amount per nominal amount of the N&C Securities equal to the Calculation Amount or unit of N&C Securities equal to such N&C Securities' *pro rata* share of the total outstanding amount of any and all costs associated or incurred by the Issuer, any Affiliate and/or Hedging Party (each as defined below) in connection with such early redemption, including, without limitation, any costs associated with unwinding, settling, substituting, re-establishing and/or incurring any funding relating to the N&C Securities and/or any costs associated with unwinding, settling, substituting, re-establishing and/or incurring any hedge or related trading positions relating to the N&C Securities, all as determined by the Calculation Agent. As used in these Conditions, **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.

Hedging Party has the meaning given to it in Condition 14.1.2.

8.8 Specific redemption provisions applicable to certain types of Exempt N&C Securities

This Condition 8.8 is only applicable to Exempt N&C Securities

The Final Redemption Amount, any Optional Redemption Amount and any Early Redemption Amount in respect of any Exempt N&C Securities may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 8.2, Exempt N&C Securities may be redeemed only on a Coupon Payment Date.

Instalment N&C Securities will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment N&C Securities will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid N&C Securities will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 and the applicable Pricing Supplement.

8.9 Purchases

The Issuer, the Guarantor (in the case of Guaranteed N&C Securities) or any of their Affiliates may at any time purchase N&C Securities (provided that, in the case of definitive Bearer N&C Securities, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such N&C Securities may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent and/or the Registrar for cancellation, provided that any N&C Securities represented by a Rule 144A Global N&C Security so purchased may only be resold pursuant to Rule 144A.

For the purposes of this Condition, **Rule 144A Global N&C Security** means a Global N&C Security in registered form representing N&C Securities sold in the United States or to QIBs who are also QPs.

8.10 Cancellation

All N&C Securities which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption) and cannot be reissued or resold. All N&C Securities so cancelled and any N&C Securities purchased and cancelled pursuant to paragraph 8.9 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Agent and cannot be reissued or resold.

8.11 Late payment on Zero Coupon N&C Securities

If the amount payable in respect of any Zero Coupon N&C Security upon redemption of such Zero Coupon N&C Security pursuant to Condition 8.1, 8.2, 8.3 or 8.4 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon N&C Security shall be the amount calculated as provided in paragraph 8.7.2 above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon N&C Security becomes due and payable were replaced by references to the date which is the earlier of:

8.11.1 the date on which all amounts due in respect of such Zero Coupon N&C Security have been paid; and

8.11.2 five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon N&C Securities has been received by the Principal Agent or the Registrar and notice to that effect has been given to the Securityholders in accordance with Condition 16.

8.12 Adjustment or Redemption following an Administrator/Benchmark Event

Save where the relevant Benchmark is a Relevant Benchmark to which N&C Securities Condition 6.3.8.1 applies in respect of a Vanilla Floating Rate N&C Security, in the event that an Administrator/Benchmark Event occurs, the Issuer may (at its option):

8.12.1